

April, 1919

25 Cents

# THE NATION'S BUSINESS



The Word from the West

By Franklin K. Lane

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R. L. LAMBDIN





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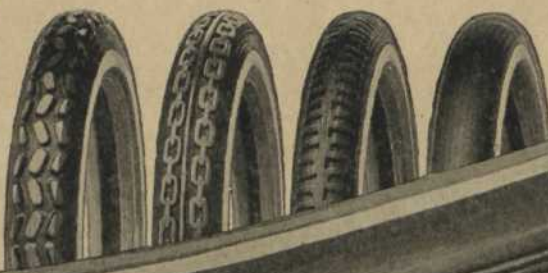
'Nobby'

'Chain'

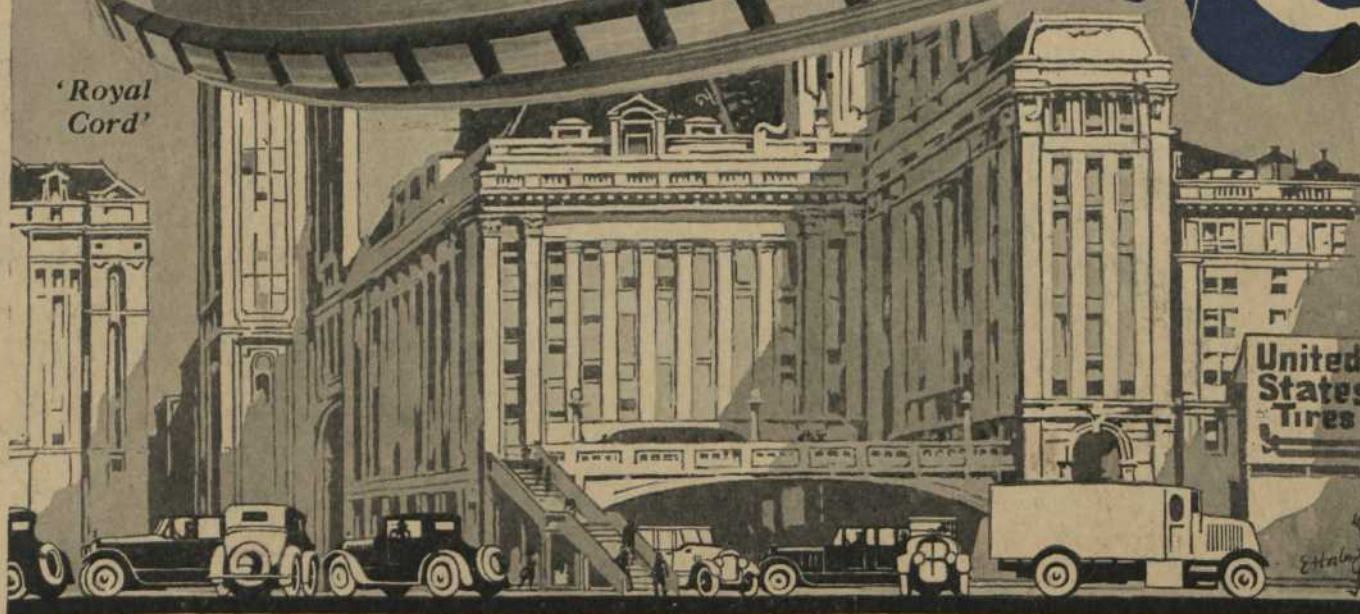
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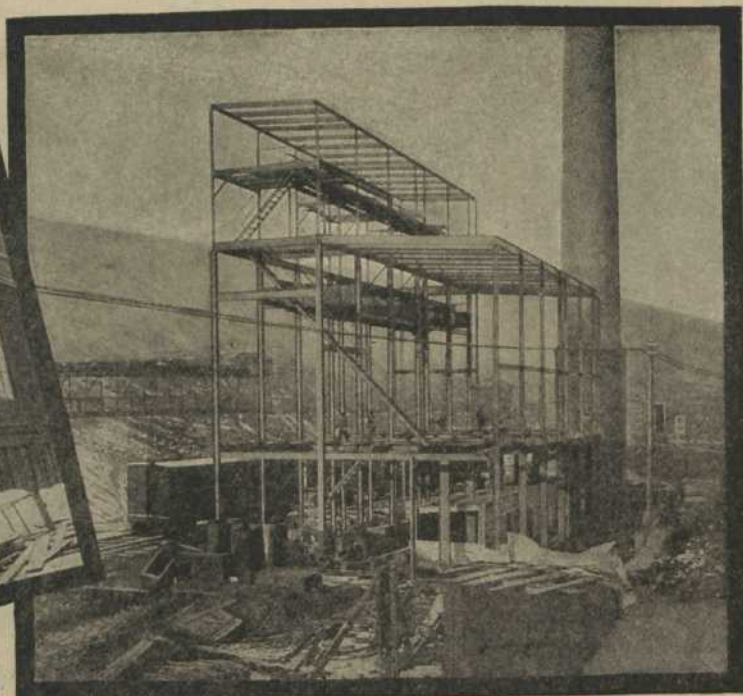
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View of opposite end of same Boiler House showing skeleton steel frame work. Note simplicity—plain beams and columns.



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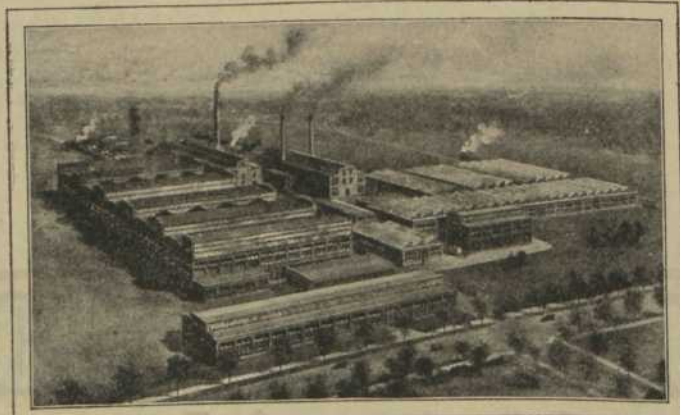
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### THE NATION'S BUSINESS

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# THE NATION'S BUSINESS

A Magazine for  Business Men

VOLUME 7, NUMBER 4

WASHINGTON, APRIL, 1919

## The Word from the West

By FRANKLIN K. LANE

*Secretary of the Interior*

AWAY from Washington one realizes how very little government has to do with most of the things that make America the big, bouncing, hopeful, cheerful land that it is. In a time of war, when there is a national will, when one purposeful thing has to be done by a unified people, matters are quite different. Then all look toward Washington and ask for orders. No nail is driven or screw turned without asking whether the driving or the turning will make for the nation's success. Then government is great, greater, indeed, than at any other time. Then Washington looms so large that its capitol casts a shadow over all the rest of the continent. But Washington is not America; it has not made this country. And that is what one feels with intensity when he sees such a gathering of cattle raisers, horsemen, bankers, farmers, merchants, ship builders, manufacturers and doers-of-things as gathered in Omaha the other day at the Trans-Mississippi Re-adjustment Congress.

And they all belonged to the bourgeoisie! The bourgeoisie—there's a hated, loathsome, unyou. There was a labor leader a very wise speech he made, the bourgeoisie, for he had not work with his hands for many he inherited wealth, poor man! must fall into the despised there was a cabinet officer in

popular word for er in Omaha,—and too—but he was of done a stroke of years, nor had And so he class. And Omaha who

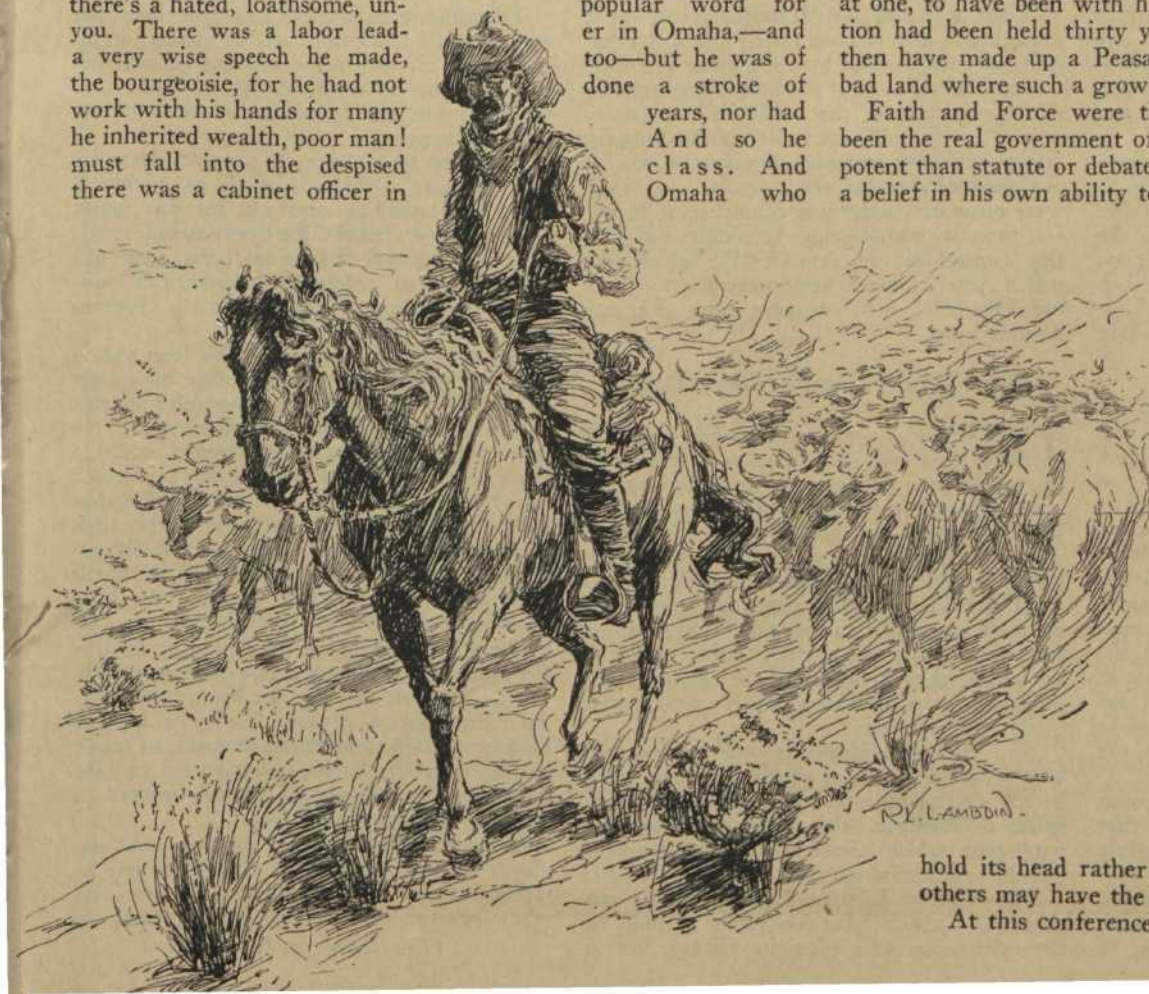
has as sound a head on him as you will find in a week's travel. But he, too, stopped working years ago, spending his time exclusively now in showing others how they can work to their own greatest gain. Another speaker came to the meeting in his private car I have no doubt; I can remember easily when he was a freight solicitor. An ex-cow puncher added much to the thoughtfulness of the body. There were big shop keepers and little shop keepers, big manufacturers and little manufacturers, big bankers and little bankers by the score, whose biographies in "Who's Who" do not reveal the fact, of which they are always boasting, that one was a newsboy, another a stenographer, a third a farm hand, and so on through the gamut of the humbler beginnings.

### The Mystery of Democracy

SO these are the bourgeoisie of America! Every one of them, I warrant, would have given his last dollar, or his last chance at one, to have been with his boy in France. And if the convention had been held thirty years or so ago, these very men could then have made up a Peasants and Workmen's Council. Not a bad land where such a growth is possible, is it?

Faith and Force were there in Omaha, and these two have been the real government of America. They have been far more potent than statute or debate. The personal force of the man with a belief in his own ability to do something a bit better than some one else or to do something no one else has dared. The force and faith of all the adventurers, no matter in what field. For this is the mystery of Democracy,—like all mysteries, a simple thing when known—that it is a releaser, it takes off the inhibitions and gives the force and faith of men a chance for action. All of history is a story of adventure, across new seas, over dark continents, real seas of water and real continents of earth sometimes, but oftener seas of scientific doubt and continents of intellectual challenge. Man is an adventurer, and to stop his adventuring is to put an end to man. Out of the adventurous spirit of such men as these at Omaha, out of their firm faith in the growing greatness of this land and their will to share in that growth has come the nation that can properly hold its head rather high in Paris, for it only wants that others may have the chance that all have had here.

At this conference of the Powers in Omaha they talked



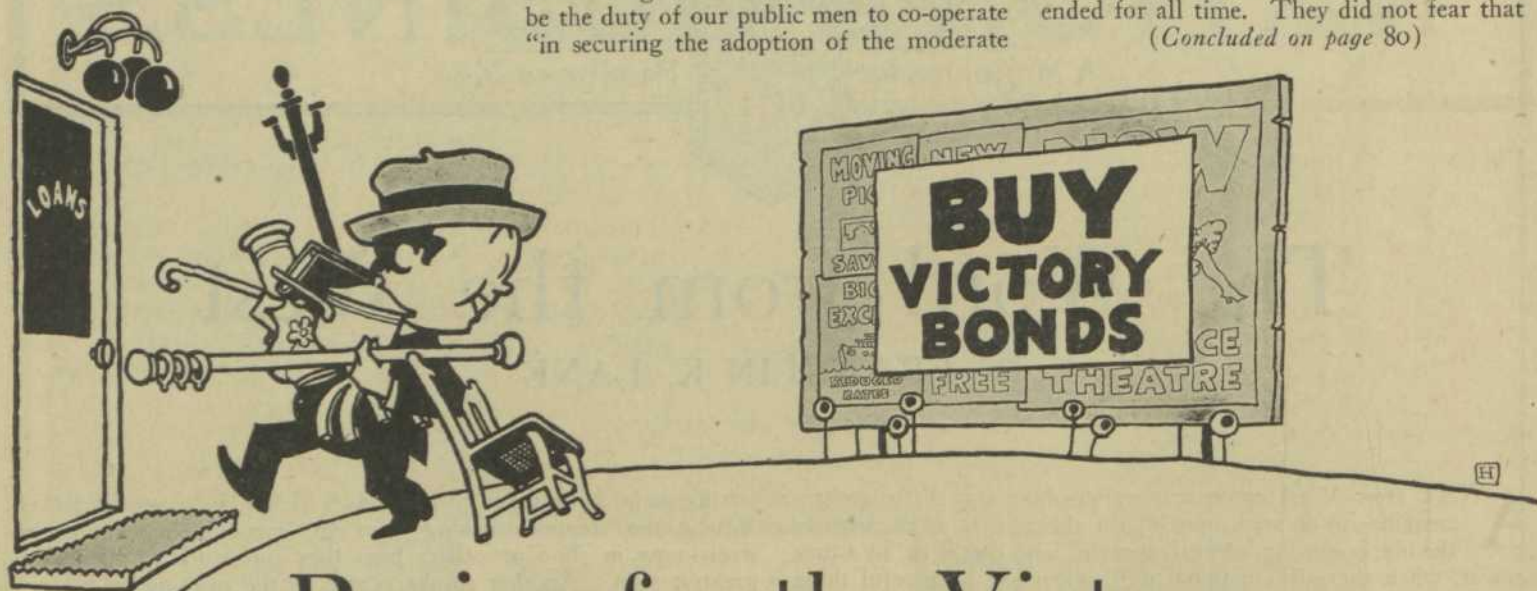


of much, and of course they passed resolutions. Now, the first of these latter, adopted unanimously, if you please, was not a plea for higher customs duties, nor for

anything that had to do with money or power or the elevation of the golden serpent. It was a plain, straightforward statement that they endorsed the principle of the League of Nations and believed it to be the duty of our public men to co-operate "in securing the adoption of the moderate

and practical plan presented to the Paris Conference."

These Americans truly were not afraid that "Bourgeois war," "Capitalistic war," would come to an end. They wanted it ended for all time. They did not fear that  
(Concluded on page 80)



## Paying for the Victory

The new loan is to be a thanks offering for our swift triumph as well as an opportunity for Americans to make a sound investment

By CARTER GLASS

*Secretary of the Treasury*

THE money which the Treasury Department will receive as payment upon subscriptions to the Victory Liberty Loan has already been spent or will be spent before it is received. A very large part of this money will pay for the training of troops which never were in action, for guns and airplanes which never crossed the water, and for shells and bullets which were never fired.

To this extent it may be thought that these expenditures represent waste. All war is waste—economic waste, waste of human life and energy. On the other hand, it was the enormous military preparation of this country, the almost limitless supply of trained men available for service at the front, the huge accumulations of war material, that brought Germany to defeat at least a year before we had at one time dared to hope.

Not alone is the credit due to that comparatively small part of the American Army which met the trained soldiers of Germany with a courage, a determination and a recklessness which overcame all opposition; but credit is also due to those millions of men who, although ready and anxious to give their lives, if need be, were never granted the opportunity; credit is due also to the far greater number who made possible by their financial support the equipment and maintenance of the fighting forces. Against the Allied armies in France, Germany might have fought on for another year; but against the Allied nations supported by the full strength of America, the task was hopeless.

It has been said that in our war preparations there was much waste of money, that many mistakes were made, and that unduly high prices were paid for commodities, material and labor. It may be true in some cases. But speed was the main requisite, and where speed is the dominating factor, questions of

minor economy must be secondary. Intensive investigation of production costs and labor conditions means delay.

If the war had lasted another year—as it undoubtedly would have lasted had our preparations been delayed by a too great attention to detail with a view to some comparatively slight reduction in cost and the elimination of waste—the additional cost to this country might well have exceeded \$25,000,000,000, as our expenditures for the calendar year 1918 were estimated under war conditions to be not less than \$24,000,000,000. In comparison with this stupendous sum saved by the speed with which America made her power effective, any expenditures due to excessive costs sink into insignificance.

### Why Banks Cannot Carry Loan

THIS war was not a war of a party, or of a class, but a war of the nation. The American people as a whole united in endorsing the statement of our President that the war must be carried on by applying the maximum amount of pressure possible. The appropriation bills and the bills authorizing the Treasury Department to issue securities were voted on with practical unanimity by Congressmen and Senators of all parties, acting with the knowledge that the people of the country were united in favor of this aggressive prosecution of the war program.

Now that the fighting is over and we can look forward to a final conclusion of the war by the signing of a treaty of peace, the same spirit of idealism, the same spirit of real patriotism which united our people throughout the war period must not be allowed to die.

The Victory Liberty Loan must be put through to a successful conclusion not only as the celebration of a glorious victory, but in

gratitude for the hundreds of thousands of American lives saved by the early termination of the war.

The American business man has cheerfully contributed of his time, of his money, of his energy, in all war activities, and he will not fail to carry on until the job is done, until the bills are paid, and until our boys are brought home.

We want now above all things to clean up the remnants of the war, settle as quickly as possible outstanding contracts for war munitions, remove artificial barriers to trade made necessary by war conditions, and turn our energy toward redeveloping American business. This cannot be done until the Government's debts are met.

It has been suggested that this loan should be taken by the banks instead of by the people of the country. What a fine solution this would be for the American business man! He looks to his bank for the necessary credit to enable him to conduct his business, to restock his depleted shelves, to start his plants manufacturing the commodities of peace rather than the munitions of war. What will be the attitude of his bank toward his request for credit if it has been compelled to absorb a huge amount of Government securities?

No, the debt of America should be held by the American people and not concentrated in the banks. Not only because by such country-wide distribution can the banks be kept in liquid condition to meet the demands of trade, but because only by such distribution can the war debt be paid out of savings instead of by additional borrowings.

Let every manufacturer, merchant and employer of labor determine therefore that he will give to the Victory Liberty Loan the same whole-hearted support that he has rendered

(Concluded on page 41)



# "PROPOSED— A Labor Program by Business"

**B**LIND leaders of the blind persist in deceiving both parties to the readjustment in Industrial relations. The all important question is whether the dominant voice in labor and in the interest of the employer shall tend to emphasize the existing differences in militant terms that will ultimately provoke the belief that alleged rights must be battled for; or whether the wiser group, knowing that the industrial program of the nation is not in reality a militant program but one of cooperation, shall gain the ascendancy and throttle the Red tendencies of which the situation is possessed.

It was in response to the demand for announcing a program of cooperation that the Chamber of Commerce of the United States undertook the study of primary principles of such a program and started with this progress step by step until the basis of at least a really wise and workable plan could be evolved.

For several years the National Chamber has had committees studying questions on industrial relations. The latest committee was appointed last December and having advantage of the study over discoveries of earlier committees, it has formulated a statement of several principles to be followed in the United States.

The members of the committee studying the report are: Harry A. Wheeler, Chairman; Henry Bruere, Vice-President, American Metal Company, New York; William Butterworth, President Deere and Company, Moline, Ill.; Joseph H. Defrees, of Chicago; Henry P. Kendall, of Boston, and John W. O'Leary, Vice-President and Treasurer Arthur J. O'Leary and Son, Chicago.

The principles formulated by this committee are to be placed before the 1100 commercial and trade organizations in the Chamber's membership for their consideration. The principles which will thus be submitted are:

## I

Industrial enterprise, as a source of livelihood for both employer and employee, should be so conducted that due consideration is given to the situation of all persons dependent upon it.

## II

The public interest requires adjustment of industrial relations by peaceful methods.

## III

Regularity and continuity of employment should be sought to the fullest extent possible and constitute a responsibility resting alike upon employers, wage earners and the public.

## IV

The right of workers to organize is as clearly recognized as that of any other class or part of the community.

## V

Industrial harmony and prosperity will be most effectually promoted by adequate representation of the parties in interest. Existing forms of representation should be carefully studied and availed of insofar as they may be found to have merit and are adaptable to the peculiar conditions in the various industries.

## VI

Whenever agreements are made with respect to industrial relations they should be faithfully observed.

## VII

Such agreements should contain provision for prompt and final interpretation in the event of controversy regarding meaning or application.

## VIII

Wages should be adjusted with due regard to the purchasing power of the wage, and to the right of every man to an opportunity to earn a living at fair wages, to reasonable hours of work and working conditions,

to a decent home, and to the enjoyment of proper social conditions.

## IX

Fixing of a basic day as a device for increasing compensation is a subterfuge that should be condemned.

## X

Efficient production in conjunction with adequate wages is essential to successful industry. Arbitrary restriction on output below reasonable standards is harmful to the interests of wage earners, employers, and the public and should not be permitted. Industry, efficiency and initiative, wherever found, should be encouraged and adequately rewarded, while indolence and indifference should be condemned.

## XI

Consideration of reduction in wages should not be reached until possibility of reduction of costs in all other directions has been exhausted.

## XII

Administration of employment and management of labor should be recognized as a distinct and important function of management and accorded its proper responsibility in administration organization.

## XIII

A system of national employment offices, with due provision for cooperation with existing state and municipal systems, can be made, under efficient management and if conducted with due regard to the equal interests of employers and employees in its proper administration, a most helpful agency, but only if all appointments are made strictly subject to the Civil Service Law and rules. Policies governing the conduct of a national system of employment offices should be determined in conjunction with advisory boards,—national, state and local,—equally representative of employers and employees.



# Our Soap Box Economist

He sincerely thinks the millennium is in his vest pocket; it has good selling points; but there is one defect—it won't work

**F**OR months we have been warned of the dangers which would face the nation during the "reconstruction period." It looked for a time as though the war had knocked the foundation out from under our house in addition to having burned off the roof.

But our problem is not one of reconstruction; our nation and its business does not have to be built all over again. The after-war problem for the United States is one of readjustment. Our big concern must be to get back to the great highway of human progress from which we turned off at the by-road which led to the downfall of autocracy.

From where we stand now, there are two paths: one of them leads to Bolshevism. Bolshevism is a mental state. It has brought to life the worst forces that are in men. We find it manifested in excesses of destruction, savagery, and complete disregard for the rights of others. It is a desire for liberty gone insane and is unthinkable in the United States. The other road leads back to individual and corporate freedom which is limited only by the rights of others.

The agitator and fanatic rise up to cry out against what he calls a return to "the old order of things." He says that there are limitations and abuses under this so-called "old order of things" to which we must never return. Under the conditions that face the world there can be no such thing as a return to the old order of things. It is going to be a new order of things, based upon democracy and equal opportunity for men.

The agitator has worked out, or promised to work out, some beautiful system governing man's relation with man. His enthusiasm and evident sincerity give weight to his sophistry. His method of bringing the millennium and the apparent soundness of his theories remind me of a remarkable set of plans which I saw some time ago and which were designed to revolutionize the creation of water power. The inventor worked out on paper an application of his principle. It was a boat that generated its own power directly from the current of the stream. First the boat was anchored so that it would not drift and immediately the current started some small paddle wheels turning and they generated electric power. In a few minutes the anchor could be lifted and the boat moved forward by its own effort.

Now, of course, an engineer would tell you that the scheme wouldn't work. But the inventor thought it would, and his earnestness and sincerity were such that nothing but a practical demonstration would have convinced some of his friends and followers that there was anything wrong with the theory involved.

The men who have been classed as agitators and fanatics are usually men of serious mind and of great earnestness. The one fault, which it seems to me they always have, is that they have not a grasp of the fundamentals of the business situation. They have been looking on one side of the things. Sometimes they say they are going to produce the millennium, or convey that impression in words. The trouble with their ideas is that they do not work. It is unfortunate that they never will work. The only road to success is through effort, perseverance, opportunity and co-operation.

By J. OGDEN ARMOUR

Granting that there were some faults in our national life as it ran prior to the war, still it cannot be denied that under this "old order of things" the United States changed from savage infested wilderness into the most highly developed civilization the world has ever known and that in our national life we had reached the point where we constituted ourselves our brother's keeper in the interests of humanity and without desire to add to our national domain or wealth.

The road to wise reconstruction is well marked. The first guide post says: "Faith in business." The next one reads: "Employment for all." And the third one is: "Gradual readjustment."

## Why Fear the Future?

**F**AITH in the future business of this nation is justified. All the elements which make for prosperity are present. Chief among these is the financial situation. We are on a sound basis. Our credit system is more highly organized, and it has vindicated itself under the severe strain of war.

Of course money is only one of the requisites of business. Equally important is a steady consuming market. This nation in itself is the best consuming market in the world. Our one hundred millions of people are free spenders and their aggregate buying power is greater than exists in any other nation under the sun.

But the home market is not our only market. Partly as a result of the war, we have developed the facilities for entering into world commerce to a degree impossible a few years ago. We now have or shortly will possess merchant ships that will carry our products to the far corners of the earth and American ingenuity and enterprise, if given rein, will find markets for Yankee-made goods wherever there is money to pay the price.

The presence here of great quantities of gold and the prospect that our exports of the future will add to the supply, causes a complication which need only be realized to be remedied.

There is a definite relation between the big supply of money in this country and the high prices which prevail. After all is said and done, gold is a commodity that is subject to the laws of supply and demand just as is cotton or wheat or coal. There is no real cause for concern that labor costs nearly twice what it did before the war. The true basis for the worker's wage is the cost of a decent living and whether that cost be one dollar a day or ten dollars a day makes no material difference. The present high cost of material and supplies of all kinds is principally the worker's wage reflected in the product of his labor.

It is a narrow vision, however, that counsels a business man to hold back on his contemplated improvements or expansion or an investor to hold onto his investment. A "hold back" policy if followed widely, would bring on the very thing we seek to prevent, an industrial depression, and while a few people always profit from such depressions, the nation does not and the greater majority suffer.

Bearing these facts in mind, capital must not lie low till prices come down and labor has nothing to gain through keeping the value of the dollar at its present low level.

I have come to the conclusion that the greatest need we face today is that of understanding. We have had too much talk about "masses" and "classes" and too little recognition of the truth that in the main all men are very much alike; that they are actuated pretty much alike by the desire to live and to get the joys that life should be made to provide. Some succeed better than others but that is merely a prank of Mother Nature. She makes no two things exactly alike and yet she sees to it that the man with the hoe is little different from the man of wealth.

As humans, we are prone to place a higher value on the things out of our reach than we do on the things in our grasp. The cow risks scratching her neck on the barb wire in order to nibble at the grass outside the fence—and neglects better grass within. Any driver knows that the other side of the road always looks more inviting. There are times when I envy the tramp his freedom from care.

If we but had a better appreciation of the other fellow's problems, it would make for greater contentment and greater progress. The time is at hand when capital must give more thought to the workers' problems and the worker must be informed as to the problems of business and industry. That we are making progress toward that better understanding is my fond hope.

Employment for all is essential. We must enable our returned soldiers to be productive. It is not sufficient to give them jobs which furnish an excuse for wages. What they will prefer and what the nation should give them is work which will add new wealth to the world's store. Our Government possesses millions of acres of arable land. It has millions more than can be reclaimed and made arable. I advocate the opening up of this Government land, its apportionment among soldiers who wish to enter into productive work.

## A Simple Cure

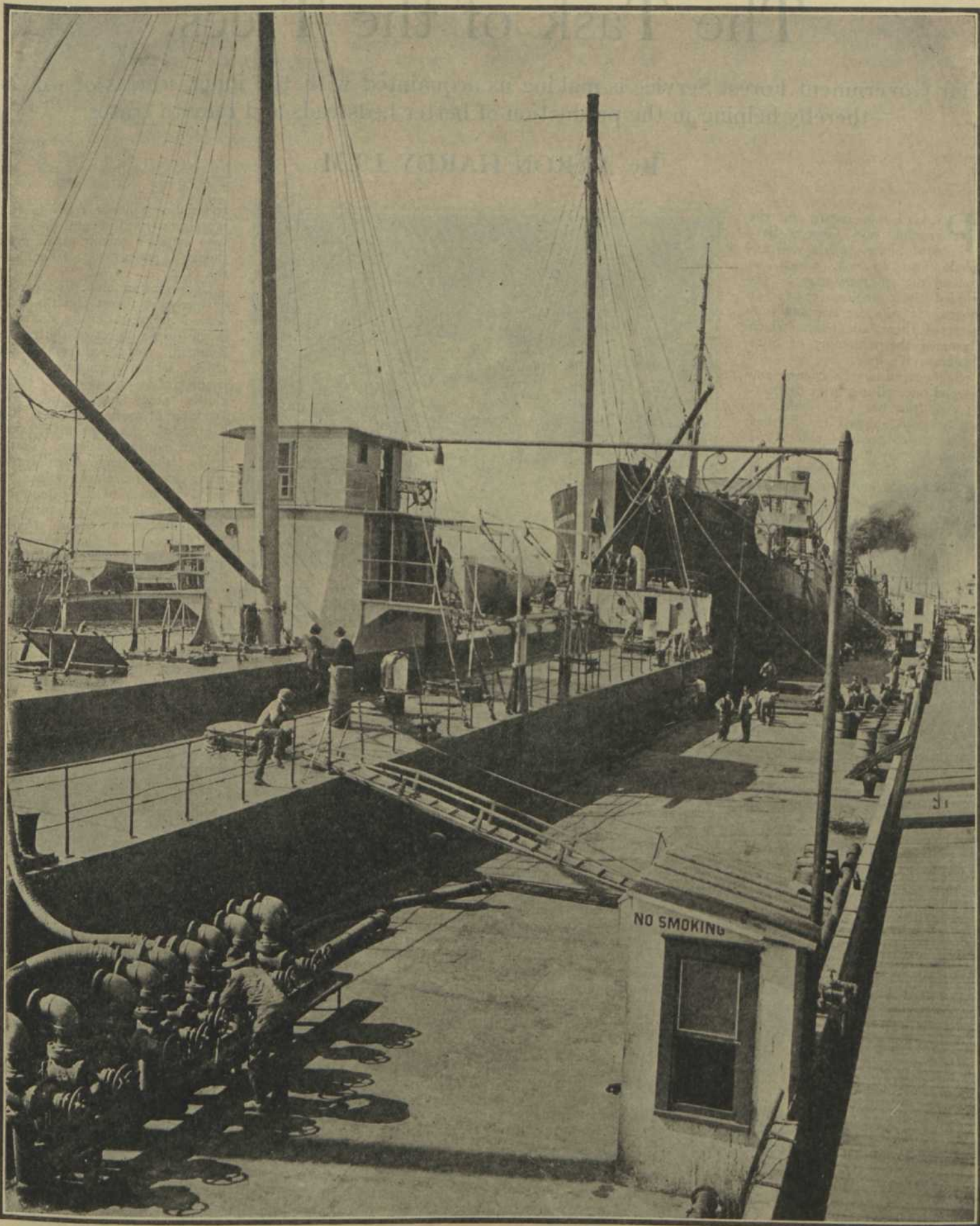
**T**HE stimulation of the work of production will provide much other work and employment is in itself a panacea for most national ills. There has never been a time when an abundance of work was not accompanied by prosperity.

A national program of road making will furnish employment for thousands upon thousands of men. A program looking toward the harnessing of the nation's unused water power would give employment to many more.

Many Government, state and municipal projects might be launched to provide the work that means prosperity, but I am strongly of the opinion that there would hardly be enough labor to go around if it were not for the spirit of hang-back on the part of the man with capital, and the spirit of hang-to on the part of the wage earner.

A display of patriotism, forbearance and common sense on the part of both will enable us to go through the readjustment period with such success that we will get back on the highway of human progress without delay or accident.





Consider the modern American worker. You will find him in the lower left hand corner of the picture. He works but he does not toil. He is loading a steamer with oil at Port Arthur, Texas. To do this he turns a valve, and takes his ease until the pipes deliver the full

cargo. Then he turns the valve back. It is quite likely that he owns a Ford and has his oldest son in the state college. Mr. Armour says that the Bolshevik will have a hard time converting this man to his theories, at least as long as there is enough work to keep him busy.



# The Task of the Trees

Our Government Forest Service is making us acquainted with the inner secrets of woods—thereby helping in the production of better bedsteads and tomato crates

By AARON HARDY ULM

**P**LANT an acorn in the ground, says George Bernard Shaw, and it will explode into an oak, which, to extend the epigram, may be exploded into tables, chairs or boxes. It was the last and simplest of these, i.e., boxes, which hastened the whitening of Silas Skefingwell's hair.

Skefingwell was a canner and a good one. But a large percentage of the boxes in which he packed and shipped his finished product collapsed under the strain of traveling. Those mishaps annoyed his trade, confused his accounting and contributed to his part of industry's annual \$20,000,000 to \$40,000,000 claims-for-damages dispute with the railroads.

Box-makers who could turn out cabinets of perfect artistry failed Skefingwell when it came to producing a case, comporting in cost and style with cans of tomatoes, that would always escape the normal hazards of ordinary journeys. One day, the canner learned that the Government runs an establishment known as the Forest Service.

"Forests mean wood and wood means boxes," he reasoned with simple deduction. "Maybe those 'long haired cranks' know something about boxes."

They did. Yet Skefingwell was more surprised in finding them to be properly barbered as well as very practical minded men.

"Ship a few of your boxes to our Forest Products Laboratory at Madison, Wisconsin, and we'll test them out," Skefingwell was told at the Washington headquarters of the Service. Although he couldn't imagine boxes being tested in a laboratory—which he pictured in terms of mysterious bottles and chemicals and white-aproned dreamers in big spectacles—he sent them some for "analysis."

The boxes were put into a machine that looks something like a miniature Ferris wheel. Therein, under the eyes of trained packing-case pathologists, they were sent on experimental trips from St. Louis, Mo., to Three Forks, Nev., and from Palatka, Fla., to Sitka, Alaska. In that machine, incidentally, you may send a box or other kind of packing case on any kind of journey and test it by ninety-nine per cent of the hazards of carting, rail-roading, ship transit or even mule-back carriage over mountains in from one minute to two hours.

## Simple, Once You Know!

**A**LL that your box needs," said the Governmental experts in the ancient and yet much unknown science of box-making, "are a couple of extra nails driven here and there.

"It is advisable, also, to use smooth or cemented nails. Barbed nails break the fiber of the wood and don't hold so firmly."



Since then the Forest Products Laboratory, which is conducted by the Government in association with the University of Wisconsin, has become a Mecca for box manufacturers

and users and for many other persons dealing largely in wood or its products.

Packing case lore accumulated via original investigation or experiments made jointly with manufacturers or their associations, were of much avail when the war made our Government the world's greatest consumer of boxes.

"There is no reason why you should limit packing cases to virtually one wood as hitherto," the Laboratory specialists told the War Department. "There are thirty different woods available for your use." This information helped mightily in expediting the production of cases.

The re-designing of boxes used in shipping arms and supplies to our forces in France, so as to insure each being of the right material, thickness and properly nailed, strapped or cleated for the service it was to perform, accomplished, through eliminating breakage, savings as high as seventy-five per cent in some of the products handled.

"We also enabled the Government to save from five to thirty per cent on cargo space by seeing that none was wasted on ill-fitting boxes," say the Forest Service experts.

Returning to our canner, it may be said that Skefingwell was astonished, as you probably are, when he found that the United States Forest Service comprises a great deal more than the propagation of lofty effusions on the beauty of trees and the abstract need of conservation. In fact he learned that

rhapsodizing about trees is left largely to sentimental persons who couldn't saw a plank even though it were made of hot butter.

Conservation and propagation of our vast forest wealth—the second greatest of any nation—is the prime object of the establishment. But the pursuit of that object, which, beginning with a single tree-lover and two or three clerks, now numbers a regular force of more than 3,000, has led the Service into many avenues of industrial science. Those transcurions range from developing scientific classifications of wood products to the promotion of the manufacture of scores of odd things from them—things like fiber silk, alcohol, paper of many varieties and from many different woods; and things like

glues and varnishes for perfecting the wood-working arts. It serves constantly as referee for disputes over questions about trees and their products.

Once, for example, the Forest Service extricated the engineers who were building the Panama Canal from an emasse caused by failure to use applied science in drawing contracts for timber.

They had ordered large supplies of timber of the class known in trade parlance as "long leaf pine." The canal builders received "long leaf pine" but a large percentage of it failed to meet strength requirements.

"We are sending what you ordered," said the contractors when called to taw.

"It isn't the kind of timber you know we want and must have," the engineers declared.

## A Species or a Quality?

**L**AW suits seemed imminent with consequent heavy costs and long delay. But on further thought both sides saw that appeal to the courts would be like tossing a coin to find which was right. For judge and jury would have faced the necessity of applying to the contracts one of two constructions of substantially equal merit. One was that "long leaf pine" meant a species of tree and the other was that it meant a certain quality of timber.

"What you should use in your contracts is a standard term instead of generic or trade words," advised the sharps on trees at the Forest Service in response to a joint S.O.S. from engineers and contractors.

"Where, by the tree god Woden, shall we find one that all will understand?" asked the engineers, who knew that the vocabulary of woodmen, however biblically picturesque, wotted little of science.

"Right here"; and the college-bred wood men of the Forest Service pointed to growth rings showing clearly in the polished wood



of which their desks were made—the rings by which every country-reared boy has counted the age of sawed-off trees.

"Spring growth, represented by the wide stretch there, is the weakest part of a tree; summer growth, usually narrower and darker, is the strongest part," advised the book-lore foresters, illustrating with pencils. "The reason for this is that trees grow fast in spring-time and slowly in summertime and none at all in winter-time.

"By means of those rings and a little chart we'll prepare any cutter to tell whether a tree is strong enough for your use, whether it be long leaf, short leaf or any other variety of pine or no pine at all as well it may."

Thus was formed a rational, as against a rule of thumb, standard for judging the strength of trees. And the whole timber and lumber industry, says the Forest Service, would profit immensely by the application of such standards in all their classifications which are now controlled largely by local and trade customs and, on the whole, are as confusing and scientifically irrational as the tongues of Babel.

It is the business of the Forest Service to develop and promote the adoption of better systems of classification. And they tell you that, though wood has been a first hand utility since the discovery of fire, there are few generally used products to which tradition and custom cling so firmly in defiance of applied science. When Gifford Pinchot went to Europe about thirty years ago to study forestry he was welcomed as a curiosity for he was the first American ever to cross the sea on such an errand. Not quite twenty-five years have passed since the Government, at the behest of President Cleveland, began the development of a constructive forestry program. Not many more than ten have elapsed since the fire of Roosevelt's enthusiasm for conservation caused that pro-

gram to assume proportions in anyway adequate to meet the big problem involved.

War's unwelcome demands accentuated the importance of scientific forestry work, especially in directions of interest to business and industry. Under the lash of Mars, advances were made in weeks and months that normally would have taken years. Take, for instance, aeroplanes in which the wood factor is of exceeding importance.

### Stepping on Nature's Heels

"WE must have air-dried timber," said the aeroplane engineers.

The lumber people laughed.

"Have you been asleep amid the roar of the last three years?" asked they. "Countries at war have searched the world for air-dried stock suitable for aeroplane construction. There's none in this country. It will take two or three years to season it in the usual way."

"Help!" yelled the engineers to the Forest Service.

"If you can't wait on Nature's climate," the Government's dry kiln experts calmly replied, "we'll see if we can't make a little of our own." Several new brands, each varying as to moisture, heat and wind were devised and tried out on different kinds of wood.

In two months kiln dried aeroplane stock was ready; and proved

in every way better, and was cured with less loss, than the air-dried!

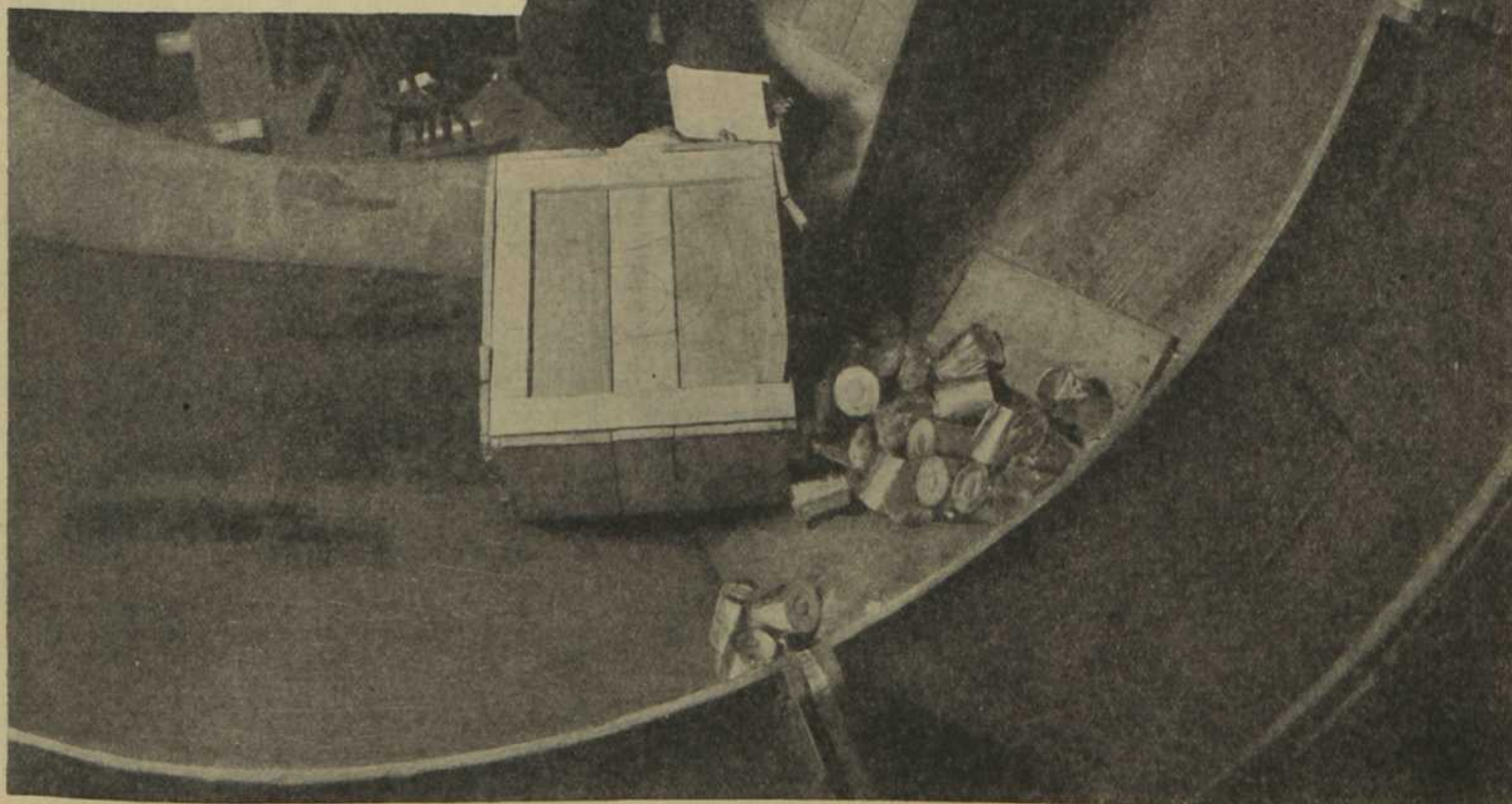
Likewise, only worse, the Ordnance Corps was stunned when it discovered that Germany almost drained the country of air-dried black walnut even before August, 1914. After that the Allies gobbled up our green black walnut, even to almost denuding our land of black walnut trees.

"What shall we do for the millions of gun stocks we must have right away?" asked the Corps.

Fortunately, the Forest Products Laboratory had worked out a kiln drying process.

"We are still in a heluva fix, for we even don't know where the trees are," wailed the ordnance makers.

The Forest Service put the Boy Scouts to work locating black walnut trees; they bear tasty



Tested in the tumbler and found wanting. A packing case has proven too weak after an hour's churning that simulated the hardships of a

trip from Florida to Alaska. The observer's notes will help cut down damage claims that range from twenty to forty millions annually.



fruit, which was sufficient lead for the kids.

In a month or two there was seasoned black walnut a plenty for gun stocks.

Similar things were done in finding and preparing wood for vehicles, such as wagons and gun carriages.

While there is nothing new *per se* in the dry kiln process, the advances made under the propulsion of war in its application will be of immense value in many lines of manufacture like the vehicle and furniture industries. They will enable many manufacturers to gratify our national instinct for haste and quick turn-over without sacrifice of material or the quality of finished product.

Great peace-time value attaches, also, to numerous other discoveries and improvements in the wood-working arts as made by the nearly 500 persons who toiled on war problems at the Madison laboratory. Heretofore, for example, waterproof glues could be procured only by paying tribute to the holders of trade secrets.

#### Glue from "Clabber"

"WHAT others can do we can do," said the Government's specialists. They developed from "clabber" (casein) taken from fine

Wisconsin Jerseys a glue that will hold faster than a turtle's bite. Wood blocks joined with it have held against ten days soaking supplemented by 24 hours' boiling in water. The process is now available without cost to industry and enables any manufacturer of furniture to put together articles that will stand the test of any climate.

Many other things were developed like an impervious wood-coating made of aluminum leaf covered over with varnish. It was devised to protect aeroplane propellers from being thrown out of plumb by moisture absorption, which at one time caused deflections running as high as eighty per cent.

#### Gun Cotton from Wood Pulp

THERE also was developed a process for making, out of wood pulp, "gun cotton" that could have supplanted that made from cotton linters without changing the range of guns, something it is said the Germans with all their chemistry and greater urge of necessity failed to do.

The job of the Forest Service is to teach you and me how to use wood and wood products as well as how to propagate and save trees. The fact that for a decade the use

of wood has been on the decline in America gives to the experts belonging to the Service no special joy as it might give to unknowing lovers of trees familiar only with our murderously wasteful methods of harvesting and employing our forests' wealth.

"There is no need of our saving trees through the non-use of wood," say the chiefs of the Forest Service, who are the nurses, sales agents and managers of our more than 150,000,000 acres of nationally owned forest lands. They are also consulting physicians to the remaining four-fifths of our forests still under private ownership, and are available as expert advisers to all users of trees or tree products.

"Under certain limitations we have plenty of timber provided it is conserved intelligently and consumed with sensible economy. But we have been getting less than fifty per cent. of the value out of the trees we fell, as against Germany's ninety-eight per cent.

"We should conserve not by non-use but by intelligent use, that is to say by getting the fullest possible return from every tree. This means more efficient lumbering, better sawmilling, and better wood-working all along the line. It means also the unlimited utilization of waste products."

# The Challenge of Peace

They are coming home—we must make the country fit to receive them, and establish the world ideal that they fought for

By HARRY A. WHEELER

*President of the Chamber of Commerce of the United States*

THE problems clamoring for solution today are wider in their influence and more complex in their character than at any other time in our national history.

Irresistibly the years have forced us as a nation out of our chosen isolation. Physically the world's area remains the same, but man's ingenuity has eliminated distance as agencies of transportation and communication have tied into intimate relationship even the remote islands of the seas. Trade routes belt the world. Cables and wireless permit our messages to outrun the sun. There is no isolation except we wilfully sever the bonds that science has forged and steel ourselves against the appeals for human intercourse.

Likewise the principle of avoiding entangling alliances becomes more difficult to sustain and its application more vague and uncertain as intimacy of intercourse forces us to abandon indifference to the aspirations of humanity or to assume no responsibility to satisfy the yearnings of the weak among the nations to achieve the ideals of the strong.

Events have broken down political isolation even as physical isolation has been annihilated, and with or without our consent we have been drawn into the crucible of a world laboring for a new birth.

As fundamental to all readjustments, therefore, lies the League of Nations.

Why discuss avoiding alliances? We have already made them. Why debate the wisdom of forming a League of Nations? We are a part of one. Can we untangle our present alliances? Only by playing the part of national cowardice. Have the objectors proposed a reasonable alternative? They have not.

Shall Ukraine, Poland and the Baltic Republics be left a prey to their own inexperience or to the greed of greater nations that border them? Shall Armenia be left further to the murderous policies of Turkey? Shall the former German Colonies in Africa be left to fall into the hands of the first bandit among the nations strong enough or wily enough to capture them?

The answer is that we shall stand behind the President and help to create a League of Nations with such machinery of courts, commissions and councils as may be competent to deal justly with the complex questions of International relationships.

#### Leave Something to the Future

WE cannot hope to anticipate all of the problems which such a League must solve, but we may have faith in our ability to work out the solution as wisdom and sincere purpose may direct in the years to come. Is it not enough for us to know that necessity demands joint action and that no alternative presents itself, except a reversion to the intolerable conditions of the past?

There are dangers as well as blessings in this League of Nations. To this we should not blind ourselves, but we shall have courage to grapple them as they arise and work out a fair remedy in which the world's forces will be organized to deal justly with all, to permit the unfolding of a new international day not threatened by the might of force but aided in its development by the friendly co-operation and mutual encouragement of all of the strong nations of the world.

Now this articulation of the powers whose governments are stable and whose guarantees can be relied upon will bring into play the economic as well as political exchanges so necessary to the whole readjustment program.

Secret treaties are to be annulled. Daylight diplomacy alone can be tolerated. Commercial relationships will be predicated upon as keen competition for the world's markets as ever existed in the pre-war period, but while Europe is adjusting her industrial disorganization arising out of the war, our contribution to Europe's safety from bolshevism and like ills will be a generous commercial and financial policy, even though in carrying out such a policy we forego advantages which would show us a handsome profit in other trade areas.

Nor is this emotional sentimentalism. I am quite familiar with the alleged efforts of Great Britain, Japan and other countries, whose world commerce has been sadly broken up by the war, to re-establish their former connections. We must remember that their very lives depend upon their foreign outlet as their industries swing from war productions back to the productions of peace, and even if we are made aware of efforts to "beat us to it" in supplying Latin America and the Orient, it will be the most enlightened selfishness on our part still to hold to a generous policy, for deferred industrial resumption in Europe will induce the spread of socialism, anarchy and revolution, and the psychology of unrest abroad will surely find its echo in our own country and thus make infinitely more difficult our own readjustment program.



We should, therefore, insofar as our excess raw materials and surplus wealth are concerned, encourage the President to advocate as a part of the treaty provisions the reasonable sharing of raw materials, the establishment of liberal credits, the joint use of available shipping, temporarily at least, until the adjustments are far enough advanced to have overcome the acute emergencies of the present and to permit the law of supply and demand to again operate as in normal times.

Returning to the consideration of our home problems of readjustment, we find that a few of these have already yielded to peace conditions, while others, notably contract adjustment and resales of government supplies, are the subject of assured legislation or executive order that promises to satisfactorily relieve our acute situation.

There are other questions, however, that do not lend themselves to immediate adjustment and that require great wisdom and accommodation to be exercised in their solution. Under the pressure of war emergency, the government created machinery to control maximum prices of certain basic materials and minimum prices of others. Production of those commodities necessary for war purposes was practically commandeered. Raw materials and basic productions were distributed between war and non-war industries. Profits were restricted in many lines, measures of conservation were introduced, output was greatly stimulated in some productions and curtailed in others.

All business took its instructions from a central authority. Our transportation agencies were not only taken over bodily, but were so remolded into a unified scheme of operation that much of the commercial organization of the roads built up over many years and at great cost was destroyed beyond hope of revival. Our agencies of communication,—telegraph, telephone and cable,—were also borrowed from their original owners and made subject to government control. Now, with the war over, we face either a return to private ownership and to individual control, remodeled by new legislation providing for government supervision, or a retention of government control, which, if long continued, will result in a fixed and permanent policy of government ownership.

As the League of Nations program becomes fundamental to international readjustment, so the determination of the government's relations toward those commodities and services upon which society depends for its existence is fundamental to our national readjustment, and we must approach the question in a spirit of honest inquiry rather than of preconceived prejudice.

Let us first consider the effect of continued government control over the production and pricing of commodities. We may concede that it is commendable for such control to exist during a period of extreme emergency, such as war, and that such control served a valuable purpose in the public interest.

Suspending economic law, however, and substituting arbitrary man-made regulations is always sure to produce inequalities, develop injustice, and result in reactions from which recovery is difficult and costly. To set an arbitrary maximum price on natural or manufactured products is sure to reduce production unless the price is high enough to yield fancy returns or the means of production can be practically taken over by the government. To set an arbitrary minimum price is practically to make the minimum a maximum also, and if high enough to stimulate production, confronts us with certain loss when the fixed price is withdrawn and the law of supply and demand again controls the market value.

Furthermore, the interdependence of commodity prices is such that unless price fixing is pursued through an infinite variety of related natural commodities and their conversions, grave injustice is sure to result as we have experienced in the fixing of wheat prices without like treatment of other cereals, and the gentleman's agreement on hogs while other live stock was left at the mercy of the open market.

### An Undesirable

UNLESS we indulge in complete government paternalism, wherein the government becomes the original buying and selling agency of everything, we must conclude that the system of limited price fixing is as undesirable as it is un-American and should be now abandoned with all possible speed. Contracts, of course, must be carried out, but Congress should endeavor to indicate to the government its wishes with respect to the manner in which the differentials between the guaranteed prices and the world market should be met, in order that the related interests be not subjected to indefinite uncertainty and loss and the people should have reflected in the cost of living any advantage that might arise from an adjustment of prices in the United States to world prices of similar commodities.

I cannot leave this subject without a word of suggestion with regard to unified marketing of natural productions, whether they be products of soil, mine or forest. Violent price fluctuations due to over-production or imperfect marketing facilities cannot be in the public interest.

Marketing associations of producers should be developed and made as legal for minerals or timber as for live stock, cereals and fruit. Furthermore, there should be a Chamber of Agriculture, even as there is a Chamber of Commerce.

It should be a federation of all of the agricultural associations and farm bureaus. It would constitute a great factor in promoting efficiency and would enable industrial production and agricultural production through their respec-

tive chambers to work together, whereas we now often find these interests antagonistic because of the absence of means through which to co-operate.

This brings us to the question of the measure of co-operation which in the period of readjustment should be permitted under government supervision to all producers of commodities calculated for domestic consumption as well as for export.

Trust legislation of the past, no matter how meritorious or necessary to correct abuses, has been class legislation to a considerable extent, and if continued as applicable to manufacturers alone, will become increasingly so as central marketing agencies operating for live stock and products of the soil grow out of a more intelligent and compact organization of these interests.

The war taught us many lessons of value, and one of these was that the practical suspension of trust laws during the war, when manufacturers of both war and non-war commodities were brought into intimate association with each other under government supervision, proved of great value in producing economies in productive costs and in use of needed materials, while under the supervision of governmental boards or agencies prices were stabilized and the public interest served.

In the days of readjustment upon which we have entered, there is great necessity for a continuation of these rights of association if competition is successfully met in foreign markets, or competition in the domestic market between home production and those that will presently come into this country from foreign producers.

Wise decision with respect to the operation of transportation agencies, wise decision with respect to the measure of price control that the government will seek to keep in effect, wise decision with respect to the freedom with which industries may associate through the readjustment period will become the measure of the period of time through which our readjustment will continue and the severity of the effect of reconstruction upon agricultural production and manufacturing, upon transportation and finance, and, in fact, upon all of the agencies of commerce with which we must deal in this country.

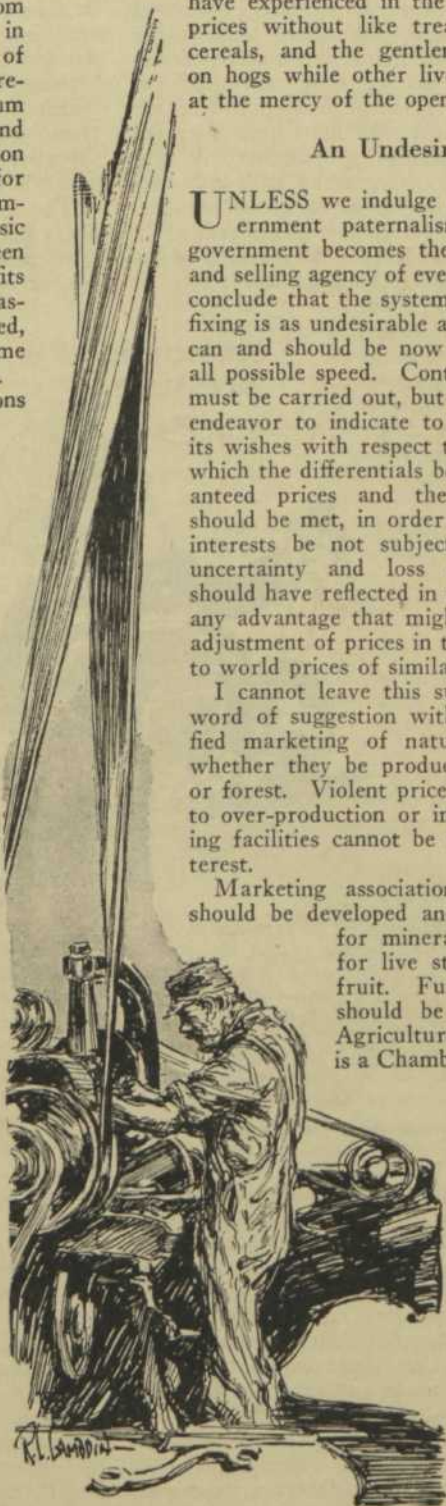
### Our Duty to the Five Percent

WE have accomplished but one stage of the war. We have trained and convoyed across the sea two millions and more of our best young men. Many of them lie in France today. Others have come back sorely maimed and wounded. We find them in our city streets and in our hospitals, the evidence of a sacrifice cheerfully given for a great cause, a cause that was won, and gloriously won, by the brawn, brain, and purpose of the youth of America.

Five percent of us bore the brunt of battle. Ninety-five percent of us were in preparation or in the prosa, but nevertheless necessary operation, of S. O. S. here at home. Ninety-five percent, through their unity of purpose for a successful culmination of the conflict, strengthened the muscles of the five percent and gave them courage to do great deeds. They knew that a nation of men, women and children more than one hundred million strong was behind them.

Now they have come home, or will be coming soon. It is our obligation that they shall not return to a country torn by antagonism over the principles that shall govern our return to peace conditions, or depressed

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# The Ounce of Prevention

It is worth several pounds of cure when applied to such dangerous and delicate matters as world peace and international business

By CORDELL HULL

*Member of the House Committee of Ways and Means*

THE statesmen of the world are engaged in trying to devise means to end wars. Every clear thinking man realizes that the start must be made by eliminating insofar as possible the causes that lead to conflict. In dealing with this subject I shall attempt to discuss but one phase of it—that having to do with unfair international trade practices.

President Wilson touched on this in his famous fourteen points and set out point number three as follows:

"The removal, so far as possible, of all economic barriers and an establishment of equality of trade conditions among all nations consenting to the peace and associating themselves for its maintenance."

This proposal is of the broadest and most far-reaching nature and upon the solution of the extremely vital problems it presents measurably depends the permanent peace and friendship among nations. When politicians pretended and falsely intimated that the policy proposed might affect the right of a nation to determine its own economic policy as it relates to custom-house taxation, the President made clear his meaning by declaring that he meant to suggest no restriction upon the free determination by any nation of its own economic policy but only that whatever tariff any nation may deem necessary for its own economic service should apply equally to all foreign nations.

The President only undertook to define the application of point No. 3 to provisions for discriminations and retaliation often found in the tariffs of countries. He did not enumerate and deal with many other trade methods, practices and policies coming within the definition of "economic barriers" and "equality of trade conditions among nations."

In the past the methods and policies practised by many nations in pursuit of international trade and commercial power have been illegitimate, unfair, and unequal, in their effects on other nations, with the result that much friction, ill-feeling, and bitter economic strife often arose. In offering, not quite two years ago, in the House a joint resolution requesting that, at the close of the war, an international trade conference be held at Washington for the purpose of establishing an international trade agreement congress, I had in mind a possible means of eliminating and avoiding questionable practices that have obtained in the past.

The time has come when commercial nations, by mutual consent, must abandon, if the peace of the world is to be preserved, these unfair policies. Their abandonment would both avoid the unjust injuries inflicted and unfair trade relations throughout the world. This does not mean the internationalizing of trade and finance in the slightest objectionable sense but only would require nations to refrain from the acts and conduct stated in their efforts to maintain their for-

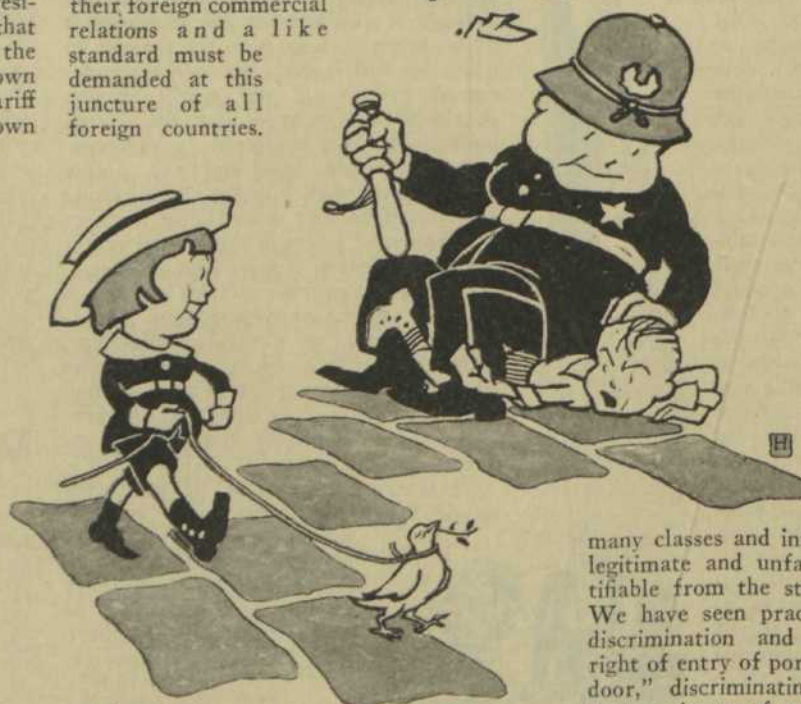
eign commercial interests or to extend their economic power abroad. Any nation could prescribe a high or low tariff or no tariff without the slightest interference except as to any provisions of discrimination and retaliation which such tariff might embrace.

## We Must Sail the Seven Seas

THE United States is peculiarly interested in this situation. We have come to the point where, in addition to our material development at home, we must now contemplate the important and permanent development of our international trade. We must move forward or backward, financially, commercially, and industrially; we cannot stand still and stagnate like China or other backward nations. Our expansion must go beyond the seas.

Having been projected into the field of international trade and finance, the policy of fairness and justice must uniformly characterize the conduct of this country and its citizens in their foreign commercial relations and a like standard must be demanded at this juncture of all foreign countries.

economic pressure



There's a new policeman on the beat.

If a real economic peace can now be effected it will afford the greatest possible assurance of permanent world peace. The accomplishment of this is imperative and in no wise would it conflict with any suitable plan for a League of Nations but, on the other hand, would supplement, strengthen and make easier its operation in that there would be fewer commercial and trade controversies for settlement.

I could enumerate a long list of wars at least one of the principal underlying causes of which was due to trade wars, economic strife, jealousy, and strenuous contests for

commercial advantage. The President's point No. 3 not only should deal with the ordinary acute commercial controversy, such as has arisen in past years between Austria and Italy, Germany and Russia, Serbia and Austria, America and Germany, Sweden and Norway, but wherever the controlling purpose is to secure economic gain and commercial ascendancy by unjustifiable methods it should deal, also, with the struggles for colonies, protectorates and concessions in undeveloped countries, including intense rivalries between business men, financiers, and traders, which have brought dangerous clashes between different nations in our time, as in the cases of Egypt, Morocco, Tripoli, the Transvaal, Persia, Mexico, China and the Balkans.

The conduct of powerful nations in grabbing colonies and concessions and in assuming protectorates, usually by force, threats, bribery, or other unfair means, is almost invariably prompted by motives of trade conquest and commercial gain.

Since the wars of earlier periods when racial or tribal antagonisms, religious controversies, and personal rivalries or ambitions among kings and other autocratic rulers, constituted their chief origin and underlying causes, it is an historic fact that most wars of recent generations owe their origin in at least substantial measure to the irritation, bitterness, jealousy and strife arising from economic controversy.

The history of international commerce and finance presents many classes and innumerable varieties of illegitimate and unfair policies wholly unjustifiable from the standpoint of fair dealing. We have seen practised all forms of tariff discrimination and retaliation, preferential right of entry of ports, violations of the "open door," discriminating embargoes or restrictions, seizure of patents, copyrights, trademarks, trade brands, wrongful interference with trade, routes, unfair utilization of bounties, bonuses, subsidies, drawbacks, and rebates, the economic and financial violation of the territory of small uncivilized, or backward nations, tonnage and shipping discriminations, economic alliances, trade concessions, and other preferences by special agreements.

Shall all these and numerous other vicious, unjust and war-breeding methods and practices again be revived and again made a part of our future international financial and commercial activities, or shall the nations by mutual agreement establish a fair and just international and financial code which will

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# Government and the Farmer

Measures bearing the signature of Lincoln laid the foundation for agencies that enabled us to achieve the impossible in food production

By DAVID F. HOUSTON

*Secretary of Agriculture*

**J**UST after the war broke out, each morning when I went to my office, I found stacks of telegrams from different parts of the country saying: "You say we need to produce more food for ourselves and the world. How are we going to do it? We cannot do it. The boys have gone, and prices have risen."

But the last year of the war the farmers of this nation planted, in leading cereals, 40 million acres more than they did in peace times. In the four years and a half of the European War, they increased every leading class of live stock, a more difficult thing to do. They increased the number of hogs by 16 million. They increased the number of cattle by more than 8,000,000. They increased the number of dairy cows by 2,225,000 and, for the first time in a generation, they increased the number of sheep in two years by more than 2,000,000. They increased the number of poultry and the supply of milk; and they did it under more difficult circumstances than ever before.

And I have no doubt that the farmers taught themselves a great deal as to the advantage of better co-operation with one another, of better organization, and of economy of effort.

I think I am not mistaken in saying that, when we entered the war, agriculture and the agencies affecting agriculture, attempting to assist the farmers, were better organized, perhaps, than any other of the great forces in the nation. For several generations we had been planning agencies which should labor to promote agriculture. There have been over fifty years of planning.

You remember that it was during another great crisis when we were fighting one another, that two acts were passed on which rest today the two greatest agricultural agencies in the world—the act creating the Department of Agriculture and the Land Grant Act, which lies at the very foundation of your agricultural colleges. Both of these acts bore the signature of Abraham Lincoln. Since that time, these agencies have developed, slowly at first, then rapidly, until today this nation has agencies affecting rural life which, in point of number, financial support, and effectiveness, equal those of any other three nations in the world combined.

As a result of all the efforts for better organization, of the activities of agricultural agencies in every corner of the Union, and especially as a result of the efforts of the farmers themselves, this nation has been able to furnish the Allies with the necessary stocks of foods and feedstuffs, without which it is difficult to see how the war could have been won. Today this nation, while prices are high for goods as for everything else, is fortunately circumstanced in respect to its food supply.

The last year of the war we made the second largest wheat crop on record, almost a record crop of oats, and large crops of other food and foodstuffs. Today we are able to spare large supplies for the people of Europe.

You hear a great deal about conditions in

Europe. You hear a good deal of talk about famine in Europe. As a result of these representations people say to me: "Are you urging the farmers to produce, produce, produce?" That question is a very pertinent one; but the people who ask it fail to distinguish between two things. Those who are talking about food conditions in Europe have in mind present needs and present available supplies.

As regards present stocks of commodities, it seems that prices will remain at a reasonably high level, although, like prices of practically every other commodity, the tendency will probably be downward. But when it is suggested that the agricultural agencies urge the farmers to produce, the fact is overlooked that another planting season for the world will intervene between now and the harvest season and that Europe is going to omit nothing to produce everything she can to supply herself at home.

The fact is ignored that shipping is opening up, that the distant countries will come again into the market, that Australia will supply wheat once more to Europe, that the Argentine wheat will come freely into the world market, and that Europe will get her commodities where she can secure them cheapest. Australia had a surplus of 300,000,000 bushels of wheat, much of which was injured. A great deal of it is still available, however, and her new crops are in fair condition. The Argentine crop is in fair condition and coming forward.

I think the best suggestion that can be given to the farmers of this nation today is that they resume their normal farm practices as far as possible, adopt the agricultural practices best suited to their farms and to their districts, and engage with the whole nation in a return to a normal intelligent scheme of operations as quickly as possible.

## To Continue the Advance

**T**HE tasks in agriculture, as in other fields, are not largely tasks of reconstruction, or even of readjustment, but rather of further construction. Agriculture in many respects made progress during the war. I do not mean to say that everything the farmers have done has been desirable or that their practices have been up to their former standards. In some respects they have not. Former standards will soon be resumed and improvements will be made. This great field of the nation's interest cannot stand still. It has not stood still in recent years.

In six years, we have witnessed the enactment of a number of laws which have been beneficial to agriculture. The Federal Reserve Act for the first time made it possible for farm securities to be taken by national banks and taken for a period twice that allowed for commercial papers. The Farm Loan system, which began to operate shortly before we entered the war, has proceeded satisfactorily and, in my judgment, will expand with the return of peace. The Smith-Lever Act, providing for the co-operative agricultural ex-

tension work, is the most significant and helpful piece of educational extension legislation ever adopted by any nation.

When I went to Washington in 1913 there was no agency in the nation dealing systematically with the second half of agriculture—marketing, rural finance and distribution. I think most farmers will agree with me that more acute problems confront them in the field of marketing and rural finance than in the field of production. In the last four and one-half years there has been built up the Bureau of Markets, which, I know, has already in very many directions rendered great assistance. It has not solved all farm problems. It will never solve them all.

## The Patients Must Prescribe

**F**ARMERS themselves must make the largest contribution to the solution of problems of marketing, just as the people as a whole must solve the problems confronting the entire nation. They can do much through intelligent and effective co-operation centering around some specific agricultural task. The Bureau of Markets will increasingly aid, and each of the states should have an effective Bureau of Markets to co-operate with you and with the Federal agency. Other laws which have proved helpful are the Grain Standards, the Cotton Futures and the Federal Aid Roads Act.

These are parts of the record for the last few years; but there is more to be done, more than the Government can do. And let me assert here that the Government is not seeking to extend its powers. I do not know any department which seeks power for its own sake. I know that I spend more time in disapproving measures which would extend the functions of the department than I do in seeking legislation. The Federal Government grows not because any Federal officer seeks power, but because people demand that it do more things. There is scarcely a day when a new proposal for legislation does not come up from some body of American people; and it is because of this that your Government grows.

I conceive our Government to be essentially a co-operative enterprise. I think our people so conceive it. A government as a co-operative enterprise cannot and should not be merely negative in its character—should not merely prevent men from doing things. It can and should do a great many developmental things; and the people know it. That is the reason why so many things are being done by the city, the county, the state, or the Federal Government.

There remains much to be done in behalf of farming. I said when I first went to Washington, and I repeat it now, that agriculture must be made profitable. Farming must pay. Rural life must be made attractive. It must be made more healthful.

Farming must pay. The customer must be willing to pay the price which will justify the expenditure of the requisite labor and capital. It does not necessarily follow that prices must



continue to rise. There are burdens imposed on the farmers of which they can be relieved. It is estimated that animal diseases alone cost the farmers of this nation more than \$60,000,000 a year. We can either eradicate or control those diseases. We have already eradicated the cattle tick from an area of 500,000 square miles, and there are other things we can eradicate and other things we can control.

We can improve our farm processes. We shall use more and better machinery. We must greatly improve our system of distribution. The farmers can aid. The live stock men of the nation can aid.

We can bring about Federal and state action, a condition under which the live stock people of this nation will have greater confidence in the big live stock markets and in the handling of meat products. Whatever may be said and whatever may be the facts, the stock men, as a rule, do not believe that there is a free market. Many producers and consumers are suspicious of the management of the great stock yard and of the great packing establishments. The great packers say that everything is all right. They are spending great sums of money in the newspapers admitting that everything is all right.

Many people do not believe it—they think that the statements are biased. The great packing plants and the great stock yards are largely affected with a public interest. They touch every live stock producer in America. They touch every consumer in the nation; and I therefore do not believe that a few men should be permitted to determine for themselves just what the conditions should be.

#### Anent the Packers

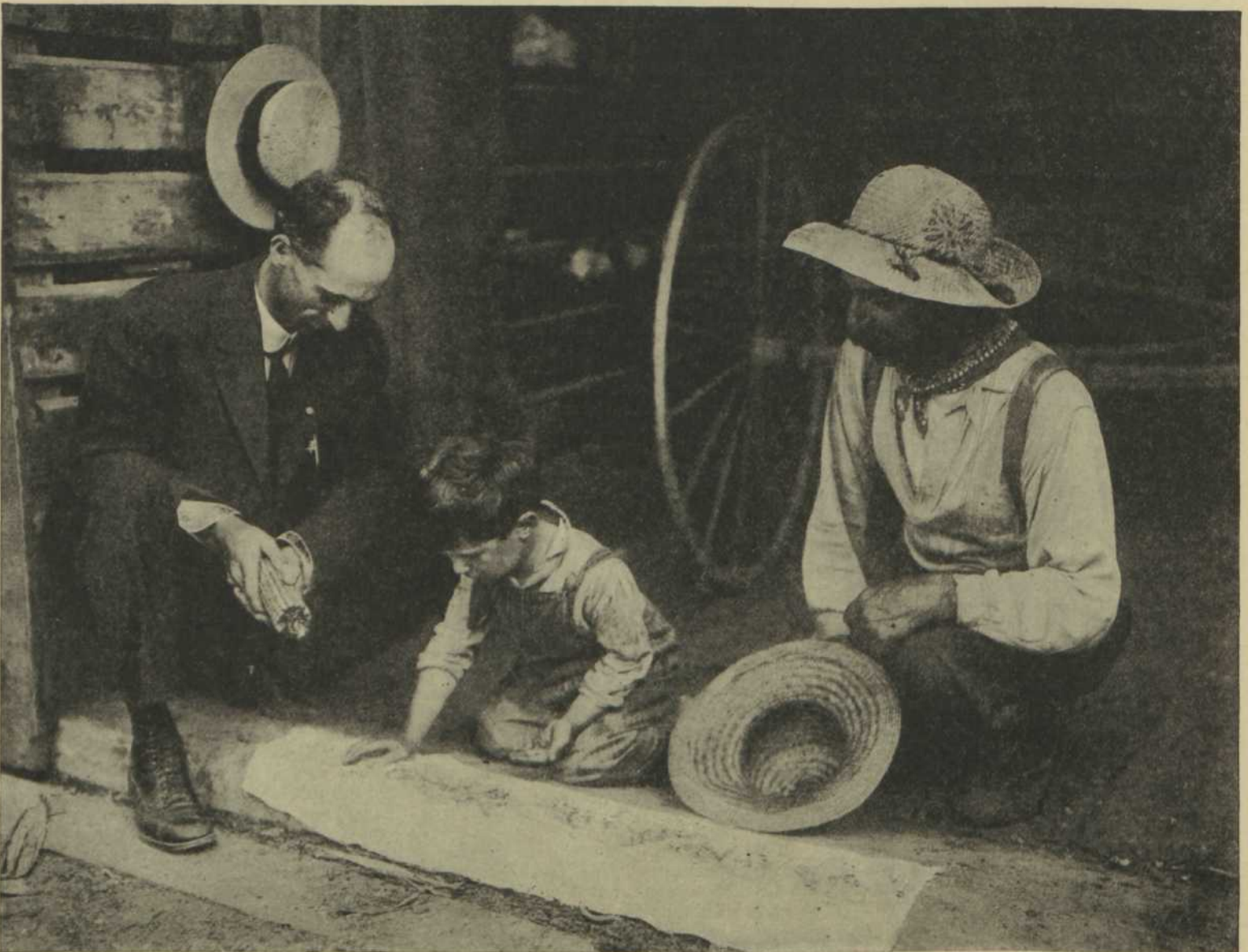
THE gentlemen directing these great plants say that they are running them very efficiently—that they have the wisdom and can run them better if they are let alone than they can if they are interfered with. That has always been the attitude of the directing classes throughout history. I do not believe that a few men have more wisdom than all the people or that when great interests are at stake, when all the people are involved, the few should not be subjected to public control. I should go further and say that if the few did have more wisdom than all the people, I would rather have just a little less wisdom, if necessary, and a little more freedom. For years I have been in favor of such Federal

intervention in the stock yards and packing houses as will bring about a restoration of confidence in the live stock markets of the nation. I think it will do both sides good.

If what the packers say is true, it will do them no harm to have an impartial agency make the facts known to the people, who are now suspicious. If there are abuses, they ought to be corrected. The best suggestions I know of for securing the right sort of Federal control are embodied in the Kendrick Bill which was before the last Congress. This measure should have become a law.

There is another matter which must continue to receive earnest consideration. I refer to tenancy. In important respects, tenancy is a step towards ownership. Very many farmers have become owners through tenancy. Increase of tenancy has not been at the expense of ownership. There are more owning farmers today than ever before in the history of the nation and the larger percentage of the acreage of the nation under cultivation, about 65 per cent, is cultivated by owning farmers; but the number of tenants has increased greatly in recent years.

This is not a satisfactory condition. It is  
(Concluded on page 64)



A country agent initiating a future farmer into the mysteries of seed corn selection. This tousled-headed youngster is starting in early to educate himself for the part he is to play in feeding the world. The

American farmer guided by agricultural agencies produced food at such a rate that after supplying the United States and its Allies during the war, the size of the left-over surplus becomes a problem.



# What American Labor Wants

As told by a man who, once himself a wage-earner, was a representative of labor on a commission sent overseas

By JOHN P. FREY

*Editor International Moulders' Journal*

**W**HAT is to be the policy of American labor relative to the readjustment of the relationship between worker and employer, between citizens and the nation?

The so-called labor problem differs greatly in the eastern and western hemispheres. It is necessary, therefore, to examine it in both hemispheres before entering upon any intelligent consideration of what American labor really wants.

The differences which exist between the programs and methods of European and American workmen have arisen almost wholly because of the differing form and circumstances under which their problems have developed. The basic principles involved may have been the same but their form of application and development have not been similar. Industrial customs and conditions in Russia, France, or Italy have been far different from those existing in Great Britain; and in none of these countries could an exact parallel be found in America.

## Some Differences

**I**N Europe the workers have been influenced by traditions which have developed during the centuries. In America our traditions are but of a few generations, and these are based upon the institutions established by a liberty-loving people.

In Europe the workmen's children have been afforded no such opportunities for education as those which exist under our public school system, supplemented by state universities.

In Europe the restrictions which surrounded the workers fostered the development of cooperative stores and other cooperative methods of buying, selling, and production, while the comparatively greater freedom of action in America, coupled with larger opportunities and the natural riches of the country have unfortunately, so far, had a restraining influence upon the development of cooperative enterprises by the workers.

In Europe the workers, through their Labor Party in Great Britain and the socialist parties in continental countries, have endeavored to apply the political as well as the industrial organization to their activities. In America the trade union movement for over a generation has been opposed to the organization of a political party or any committal to partisan politics, and this position has just been emphatically reaffirmed by the American Federation of Labor in its reconstruction policy.

The industrial and political develop-

ments, which have manifested themselves abroad during the war and which now occupy so prominent a place in the public mind, have not caused surprise to careful students of the European labor movement. The viewpoints, the industrial and political philosophy, which have profoundly influenced the European workers for more than a generation, were in part, at least, the result of conditions which are not paralleled in America. The limitation of the franchise, the predominant influence of land-owning nobility, the absence of democratic institutions, the denial of the people's right to have an adequate voice in determining the laws under which they should live, the autocratic form of government, the existence of secret treaties, the domination of the lives of the people by special interests, have all tended to create a feeling of bitter resentment against governments and the privileged groups who supported them.

It is, therefore, not surprising that millions of European workers have developed a revolutionary spirit. The conditions under which they have lived for many generations were far more unjust, and the regulations and restrictions forced upon them far more galling and arbitrary than those which led the American colonies to revolt against the mother country.

The attitude which American labor may be expected to assume can be best determined by the policies and programs it has advocated in the past, the principles which have guided it, and the position which it has taken upon the great national questions which have arisen.

American industry has not been free

from injustice. The pages of our industrial history contain an account of incidents and conditions which bring the blush of shame to any red-blooded, patriotic American. The scales of justice have not always balanced evenly, and equal opportunity and equal rights have not always existed. It has been the failure to establish even-handed justice between man and man, employer and worker, which has led to trade union organization in America.

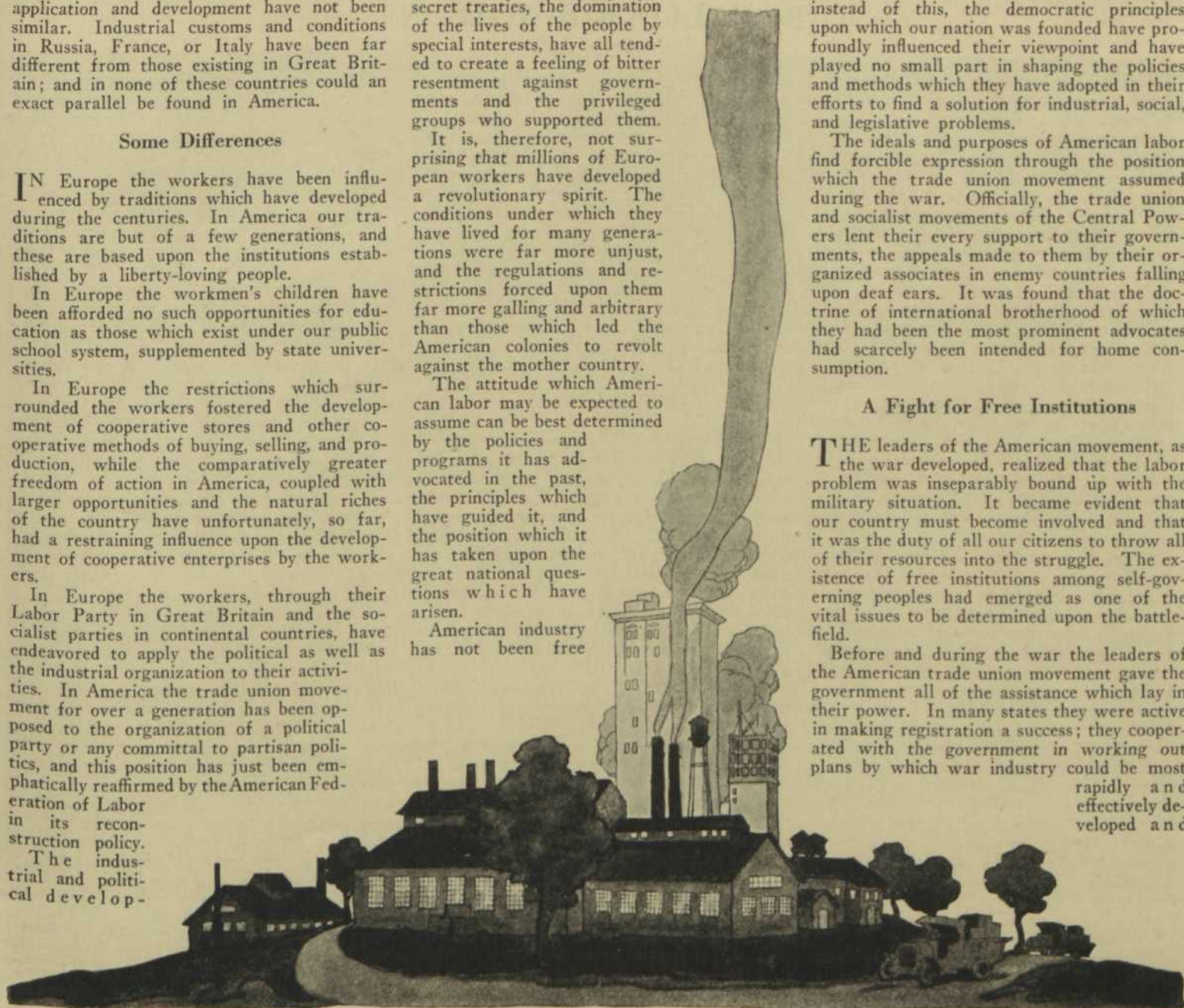
But our workers have not suffered from the political injustice which existed in continental Europe. The American workers, therefore, have not developed the same revolutionary tendencies which have been and are manifesting themselves across the Atlantic; instead of this, the democratic principles upon which our nation was founded have profoundly influenced their viewpoint and have played no small part in shaping the policies and methods which they have adopted in their efforts to find a solution for industrial, social, and legislative problems.

The ideals and purposes of American labor find forcible expression through the position which the trade union movement assumed during the war. Officially, the trade union and socialist movements of the Central Powers lent their every support to their governments, the appeals made to them by their organized associates in enemy countries falling upon deaf ears. It was found that the doctrine of international brotherhood of which they had been the most prominent advocates had scarcely been intended for home consumption.

## A Fight for Free Institutions

**T**HE leaders of the American movement, as the war developed, realized that the labor problem was inseparably bound up with the military situation. It became evident that our country must become involved and that it was the duty of all our citizens to throw all of their resources into the struggle. The existence of free institutions among self-governing peoples had emerged as one of the vital issues to be determined upon the battlefield.

Before and during the war the leaders of the American trade union movement gave the government all of the assistance which lay in their power. In many states they were active in making registration a success; they cooperated with the government in working out plans by which war industry could be most rapidly and effectively developed and





the faith of American labor in our democratic political institutions has been amply demonstrated by their patriotic service in the War. It is not surprising, then, that among our workers has been developed a strong conviction that the principles or methods of democracy should apply to all of the relationships within the nation; that in industry, as in civil life, government should only exist with the consent of the governed.

AS the workers see their positions their lives are regulated by two distinct influences, the law upon the statute books and the rules and regulations within industry and commerce affecting labor. The law of the land determines their relationship as citizens to all other citizens and to property.

The rules and regulations in commerce and industry largely determine the relationship of employer and employee, the terms of employ-

ment, and the conditions of labor. Where they are not the result of joint agreement between employers and the workers they are necessarily established by the employer's conception of his self-interest.

Both of these codes vitally affect the workers' opportunities in life and determine their standard of living. The rules and conditions within industry and commerce in many instances affect their lives more than the law upon the statute books. This has led the American worker to believe that he should have a voice in determining the rules of industry equivalent to that which he has as a citizen in determining legislative enactment.

IT is in this sense that the term "Democracy in Industry" is generally applied. The laws of the land are made through the joint action of all citizens. Jointly the terms of employment and conditions of labor in commerce and

industry should be made as the result of a collective voice.

The methods of democracy are evolutionary, not revolutionary, but the strong appeal which they have made to the American worker lies in the fact that he is not a revolutionist. He has not been brought up in a country where institutions are such as to leave revolutionism as the only door through which he could enter to improve conditions.

The question is sometimes asked: What is the ultimate aim of trade-unionism differing from other movements to secure improved conditions? It has never created in advance a fixed program. It would be as appropriate to ask the question: What is the final goal of a Republic? The most practical answer would be: To secure equality of opportunity and even-handed justice for all citizens and protect them in their rights to life and the pursuit of happiness.

# Jobs—Too Many or Too Few?

With a shortage of millions in our normal labor supply, the answer is—temporary work to take up the slack during industrial demobilization

By WILLIAM B. WILSON

*Secretary of Labor*

THERE has been a great deal of hysteria in connection with the problems of reconstruction. We are passing through exactly the same kind of an atmosphere that we passed through immediately following our entrance into the world war.

Surely if we can take a peace-time organization and transform it almost overnight into a great military machine, we can by the exercise of the same energy take a military organization and transform it into a peace-time machine.

The necessities of the war compelled us to engage in a tremendous shipbuilding program. We have a very large tonnage now afloat and more ships under construction for merchant purposes than any other country in the world. We have, therefore, already provided the three great elements necessary for the development of a foreign trade, and when we get our domestic industries into proper operation, and our business men begin to look abroad for a market for the surplus products, they will find the means of vitalizing these agencies that are already in existence.

Our problem resolves itself, for the time being, into one of demobilization, and the starting of our business on a pre-war activity, —a post-war basis. There have been some difficulties in connection with that problem. At the time we entered into the war nearly all of our people were actively employed except that floating portion that is unemployed during even our periods of industrial activity.

It has been stated on many occasions by statistical experts that even during our periods of industrial activity we had in the neighborhood of a million workers unemployed. That represents the turn-over of labor, the individualistic type of individual, dissatisfied with his conditions; he is either unable or unwilling to engage with his associates in a collective protest. It is a decided loss; nevertheless it has existed, and my judgment has been that it has existed because we have the highest ideals existing among any people on earth.

Whenever the surrounding circumstances of a people are not equal to their ideals there is a spirit of unrest, and hence the desire on the

part of a large number of people to move on and on and on, in the hope of securing some place where they may achieve their ideals.

Reports from our community boards indicate an unemployment at the present time of 350,000 from the places we are getting reports. That represents about one-half of the industrial sections of the country, so that we may estimate the total amount of unemployed at the present time is 700,000.

That, in itself, based upon our experiences of the past, is not an alarming amount. The cause for alarm, if any there be, is the fact that the number is continually increasing, because the men who are engaged in industry find themselves in an uncertain situation.

## Everybody's Waiting

THEY look upon the prices of material and the rates of wages as being abnormal, and that there is a likelihood of the cost of material and the rates of wages coming down. Any man engaged in manufacture who pays a common price today for the material used in his shop, whose competitor is in position to purchase the same kind of material tomorrow at 15, 20 or 50 per cent less, would be at a disadvantage when he comes to market his product.

Thus there is a disposition to hold off on the part of the employers in the hope of prices coming down.

There is a possibility of prices coming down without there being an effect upon the wage rates. During the war period it was necessary to stimulate industry to its greatest extent, and prices were fixed for the products of the factory that would enable that class of factory that could not normally operate at all, to come in, and add to the total product. That meant tremendous profits for those who were situated at an advantage. These extra profits can be and should be eliminated, and eliminated as soon as possible. There are difficulties in that direction, because the manufacturer realizes that if he undertakes to cut prices and his neighbor does likewise, there is a possibility of the whole structure tumbling and the prices going down below even a normal profit,

and so he is cautious about quoting prices at a lower rate, and he does not care to enter into association with his neighbor and arrange for the cutting of prices because he may come in contact and conflict with our laws against that kind of conduct.

The Secretary of Commerce is endeavoring to work out that phase of the problem and be as helpful as he can in getting materials down to the lowest possible working basis without affecting the wage rate. There are important reasons why the wage rate should not be seriously affected at the present time. My judgment is that it cannot be very generally reduced for a considerable period of time. My reason for that is the fact that during the period of the war our workers received more in actual, in real wages than they had ever received at any previous time. The cost of living had gone up, but the hourly wage rate of the workers had gone up almost in the same ratio.

There were some instances where the hourly wage rate had gone up in excess of the increased cost of living; there were other instances where it did not go quite as far as the cost of living, but the average was very close to the increase in the cost of living.

However, the workers had steadier employment than they had been in the habit of receiving; they worked overtime with time and a half for the extra time they worked, and they worked Sundays in many instances. So the aggregate they received was greater than they had ever had before. Many of them have some of that in reserve now that can be utilized, and will be utilized, against any general attempt to reduce the wage rates, and because of the fact that any period of depression that may confront us must of necessity be a short period, and that the reaction into post-war activities, giving us a period of industrial prosperity, must come in a very brief period of time, it would be folly to engage in the conflict necessary for the reduction in the wage rates when so little return is to be had for it.

Farmers are also in the same position as the wage workers; they have received more in



real wages, in real purchasing powers in return for the crops than they have ever received before, and in many instances they were handicapped in their efforts to place any considerable portion of that increase back on the farm in the way of machinery and equipment. The wage workers and the farmers then have reserves in hand that will be used in the maintenance of their families, and in addition to the equipment. That means that when we get into a real post-war period, in the aggregate a tremendous amount of additional purchase will be made.

But furthermore, before the coming of the European war we were receiving into our country approximately 1,200,000 immigrants. Of that number, 400,000 have been returned leaving us a net increase of 800,000, in the neighborhood of 600,000 of which were people of working age. We were adding, then, 600,000 annually to our working population. Now, that has not been the case for four years. The number coming into the country from the various sources has just about been equaled by the number going out and there has, therefore, been a net decrease of some 2,400,000 in what would otherwise have been the increase in our working population.

We have taken several hundred thousand workers from other lines of industry and placed them in shipbuilding operations, and

they are likely to remain there for some time. We found our shipbuilding industry with a few tens of thousands workers engaged in it, while we now have in the neighborhood of 500,000 engaged in it. It will be a year yet before our military forces are completely demobilized. Probably in a year from now we may still have a million soldiers, taken from industrial life, who are not back in industrial pursuits, and I have no doubt that after that point there will be but a gradual demobilization.

#### More Evidence of Shortage

WE are, therefore, short in our normal supply of labor somewhere between three million and five million workers; so if we could engage in our pre-war activities on a post-war basis immediately, there would be a shortage of the supply of labor. But we are not in a position to do that, because of the fears that I have already made reference to; and that brings us to the consideration of how we are going to provide employment, how we are going to create a reservoir that will take up the surplus labor during the period of demobilization and keep it busily employed—and there is great necessity for our people being busily employed during that period.

Now, during the past two or three years

our public improvements have lagged. Our Federal Government has not engaged in the usual public improvements; neither have the state governments nor the municipalities. There were two reasons for that; the shortage of workmen and the inability to properly finance, because of the control that the Federal Government had to have over finances in order to make sure that its own financial situation would be secure. Both of those conditions have changed, and there is now a surplus of labor, and the Federal Government has released control of the finances so that credits are now available.

To me the one great method of forming a reservoir for buffer employment is to have the Federal Government engage in its normal improvement activities, and to have every state and municipal government do likewise.

I would not ask that work be undertaken solely for the purpose of providing work. To place men at work on any job, where the results from it are not needed, is just so much waste of time and energy and man-power. But there is a tremendous amount of work, a tremendous amount of improvement that is needed; and so that the minds of our workers will not be fertile fields for the propagation of false philosophy it is our duty to see to it that these activities are now engaged in to the fullest extent.



© Brown & Dawson

In those strange and distant years "before the war" we gained 600,000 working men annually through immigration. Many of

them were stocky, hard-working, cheerful Italians like these. Four years of conflict have put us 2,400,000 behind our normal increase.





### Oh, What's the Use!

**T**HE WHANGDOODLE, the sidehill gouger, the milking-stool bird and a number of other creatures of terrifying or miraculous character were conjured up by our ancestors for the shivery and entertainment of one another in the American wilderness. A little later, in the West, special efforts of the imagination were always undertaken for the instruction of "tenderfeet."

When we were on the point of growing blasé and scoffing at the crudities of an earlier generation, the war came along and gave to myth-making a new vogue. The underlying theory is unchanged, however; it is that in some subtle way we are all benefited by being scared.

One of our most genial citizens, Marse Henry Watterson, has now tried his hand at this device for the improvement of his fellows. In the midst of a recital of his notable adventures on the high roads of life, he pauses to contemplate this possibility: "Universal hari-kari in Europe; the dry rot of wealth wasting itself in self indulgence. Then a thousand years of total eclipse. Finally, Macauley's New Zealander sketching the ruins of St. Paul's Cathedral from a broken arch of London Bridge and a Moslem conqueror of America looking down from the hill of the Capitol at Washington upon the desolation of the District of Columbia."

No tale of the whangdoodle in its day ever caused more shivers than such a picture, at first glance. But a moment's reflection smoothes out the goose flesh; for the publisher of this word picture is a contemporary which draws its dividends from a huge circulation and plans for an ever-increasing host of readers. Accordingly, the calamity is not to be expected in the immediate future.

### To Save All the Daylight

**D**AYLIGHT SAVING is opposed, anonymously, because "the time goes too fast now, and we are living at too much of a break-neck speed." Obviously, some folk don't like to get up at all in the morning. They should advocate, not turning the clock forward, but stopping the clock altogether.

### Bad Outlook for "the Good Thing"

**G**ETTING RICH QUICK is to lose some of its attractiveness. Americans have unconsciously received not a little of their entertainment from the gentry that do not hesitate to describe the exact dominations of the gold pieces in the pot at the end of the rainbow. The entertainers are now to be taken firmly in hand, and their imaginings tested upon the touchstone of facts.

Separation of fool's gold from pure metal through this process is being undertaken by the Federal Trade Commission, in co-operation with the Treasury. Its procedure is simple; when it receives evidence that the stock of any concern is being offered for sale upon promises and representations which outstrip normal credulity, it will use its powers to require the concern to make a complete report about its affairs. What the Commission finds from its scrutiny of such a report it may announce to all the world.

The Commission has rendered a public service. We have always lacked some public authority to whom we might confidently appeal for help in clipping the wings of gentlemen, who, for a consideration, offer us the moon in either a platinum or a mother-of-pearl frame, quite as the purchaser may prefer.

### Policing with £'s and \$'s

**M**EXICO has for years been the sore thumb on the western hemisphere. Some curative processes seem to be at work, but just what they are, and how successful they will be, is difficult to perceive.

With American members more numerous than members from other countries, bankers of the United States, England and France have organized an international committee to seek protection for investments that are outstanding in Mexico. Although this committee may be independent of an earlier association of American owners of Mexican properties, the two organizations will presumably work toward a common end.

Finances have been, and continue to be, the crux of the Mexican situation. The bankers' committee at least offers a possibility for a solution of the difficulties of Mexico; it is not unthinkable that the bankers may supply the funds of which Mexico now stands in need, upon conditions that will mean public order and stability. After all, dollars are handy things for many purposes quite as worthy as turning a profit in nickels and dimes.

### Acreage Reduction and Human Nature

**C**OTTON GROWERS have had a Southern States Cotton Acreage Reduction Convention. The plan is to decrease acreage in order that the price may be maintained. In this there is nothing new. Brazilian coffee growers have tried it, with their government as a staunch supporter. British producers of rubber in the Far East are now contemplating a similar scheme. And our Mexican friends, or at least the portion of them that raise the sisal that makes the twine that binds the wheat, etc., have within the month solemnly resolved to limit their plantings and hold sisal at 300% of pre-war prices.

That the idea may have something in its favor, especially from the southern point of view, may not in the final analysis be important. The real question is, whether or not the plan contains the germ of its own destruction. A prospect of higher prices has always been an irresistible enticement. As soon as the future price appears to be assured, the inevitable portion of the community that possesses an undue itch of acquisitiveness perfects its schemes, —and at the harvest the crop exceeds all earlier records. Thus, combination among producers in agriculture obeys the same economic and human laws as combination in other industrial fields.

The Sherman Act may accordingly never get a chance at the Reduction Convention. Besides, year in and year out, the Sherman Act wears a muzzle; the chief appropriation for its expenses bears a proviso that none of the money can be used by the Department of Justice to prosecute the producers of farm products who co-operate for the purpose of maintaining a fair and reasonable price for their products.

### Raising Railway Rates Contagious

**R**AILROAD RATES in all parts of the world have shown the strain of war on all methods of transportation. In South Africa fares have been raised even for natives travelling in box cars.

While increasing rates Japan has instituted an innovation which is the reverse of our own demurrage charge. Japanese railways will guarantee delivery of a shipment within a stated time, and if they are delinquent they pay rebates on the original charges.





### Fodder for the Horseless Carriage

**D**ISTANCE ever gives enchantment to news. Argentina, looking at her own mountainous straw stacks, has a story that a farmer in Saskatchewan runs his automobile beautifully upon gas which he makes from straw.

### The Retort Courteous

**S**HORT POSTAGE is a crime peculiar to the United States, according to some of our friends in South America, who expostulate properly when they receive business letters bearing postage sufficiently only to carry them from Chicago to New York. Presumably, they know nothing of their fellow citizens who send letters to the United States without bothering to affix a stamp of any size, and ask for various articles of value to "go into their collections"! Our delinquencies in short postage should be cured, but they do not appear to have diminished our reputation for generosity.

### An Orthographical By-Product of War

**S**YLLABLES threatened to nonplus the world when the Germans concocted compound words and sought to force into one word a whole sentence or even a paragraph.

Abbreviations have taken the place of the German mannerism and run riot. Any issue of a British newspaper will puzzle a layman. Twelfth F. A. N. Y. Convoy, S. S. Y. 5 turns out to be a part of the First Air Nursing Yeomanry allocated to the fifth group of the French Service Sanitaire. And as for an officer, his name may be fairly submerged. In getting an award for gallantry one of them was recently described as:

"Capt. and Bt. Maj. (A./Lieut. Col.) John Jones, D.S.O., Suff. R., Attd. E. Lan. R."

Clearly, one has to be to the manor born to recognize a friend in military life.

But abbreviations and letters have a disadvantage over the telephone. England has a new way of dealing with this difficulty. If one tries to say London, for example, he may be asked to spell it "by analogy." Thereupon he proceeds with something like this: "L for Lily, O for Olives, N for Nancy, D for Dolly, O for Ollie, and N for Nellie." British army men do it another way. They have a code, in which, for telephone usage, ack means A, beer stands for B, Dan is D, Emma is M, and Pip is P.

The advocates of simplified spelling seem to have become so confused by the new order of things alphabetically that they haven't been heard from since August 4, 1914.

### Piece-Work Presidents

**P**RESIDENTS have sometimes shown anxiety about their salaries. The new president of Germany is apparently content to get his pay once a month. A former president of Venezuela was not so trusting; he demanded his wage every morning, at \$400 a day.

### The Tax-Gatherer as Business Missionary

**F**ARMING becomes a real business enterprise under the new revenue law. The farmer who does not keep accounts with himself is likely to become as rare as he used to be numerous.

Business reform in farming has been a hobby of the Department of Agriculture. It remained for the Commissioner of Internal Revenue to achieve it overnight, through the prerogatives of the tax-gatherer. The ink on the President's signature of the new law was scarcely dry when the Commissioner presented to the farmers a form on which they are to enter a history of their crops and cattle during the year, inventories, costs, receipts and everything else that will go to show the results of a business enterprise conducted in a business-like way. The portion of the board of the hired man that represents purchases of groceries goes into the expense account, but the value of garden truck raised by the farmer's wife does not. The cost of the automobile goes into capital account, but the expenses of maintenance that correspond to use of the machine for farm purposes is deducted as an expense. Even the ducks and bees get a separate place in the reckoning.

Out of the "gentleman farmer's" treatment the man who follows his own plow, and who has had his troubles in competing with the "show place" for labor, may get some comfort. The regulations declare:

"If a farm is operated for recreation or pleasure and not on a commercial basis, and if expenses are in excess of receipts, the receipts may be ignored and the expenses, being regarded as personal expenses, will not constitute allowable deductions."

That regulation, too, may have its effects in putting even show places on a business basis. There is no denying that a whacking big tax law, however uncomfortable in other ways, is a grand promoter of sound business practice.

### But the Corpse Declined to Serve

**J**ANUARY EXPORTS shocked the pessimists, both those who intimated nothing was being bought and sold and those who declared flatly that an unholy mixture of red tape and lack of bottoms prevented exportation of as much as a box of codfish.

The fact is, the figures surprised everybody. No matter how high prices may have gone, \$622,900,000 worth of merchandise in one month represents a lot of business. The figure is the biggest for any month in our history. That circumstance is all the more remarkable for the reason that the great stream of war supplies which we had earlier sent to allied countries had largely ceased. Exports in January were predominately civilian goods.

Of course, food and raw materials for Europe entered into the January account. Breadstuffs, meat and dairy products, cotton, and mineral oils represented \$300,000,000 of the aggregate value—or about \$100,000,000 more than their value in our exports of January, 1918.

But manufactured articles, too, had a real part in the January figures. There is every indication that Latin America has begun to obtain the goods it long has desired. Argentina, which imported \$4,700,000 of our goods in December, 1913, obtained \$20,000,000 in January, 1919. To all of South America we sent \$11,800,000 in December, 1913; \$19,000,000 in January of 1918, and \$47,000,000 in January of 1919—and for the two later months only the figures for the exports from New York are yet available.

Obviously, we shall await with real interest the figures which will show what the country did during February.



# Why Peek Is Not in Paris

With all the nation suffering from loss of industrial appetite and labor indigestion, at least a few of our leaders had to remain on this side of the water to nurse the patient. Our

Peace Commission wanted George Peek in Paris. But a bigger job at home was given him—Chairman of the Industrial Board of the Department of Commerce.

By THOMAS H. UZZELL

TAKE the United States, knocked a bit giddy by a sudden and unprepared-for peace. Turn scores of square miles of humming war factories into empty sheds haunted only by prowling cats and scratching hens. Throw half a million laborers out of work. Then start a series of strikes:—the unions because of threats against their pay envelopes, buyers because of dangling high prices, Congress because of a cut in their time for debate. Lastly, send the President to Europe.

Do this and you've got a pretty rocky landscape for American business! The business man now steps warily with an eye out for avalanches. Too abrupt a move may start something.

Enter then the guides. Not statesmen, mind you, not students of anything in particular in the academic sense, not even lawyers—just seven plain business men who come down to Washington from Moline and Columbus and Memphis to see what can be done about it.

They enter one of the great, temporary war buildings. Their footsteps raise hollow echoes as they pass down the cardboard-walled corridors lined with deserted rooms. They gather about a table in one of the little rooms, alone. There is no "war fever" to inspire them. Their power to get results must come largely from their leader. And the new leader is—George N. Peek.

Never has there been gathered a business conference providing a bigger opportunity for the sheer ability and dynamic personality of one man. Did not President Wilson, when asked for a reconstruction commission, wave his hand impatiently and tell Tumulty to tell the country that it could do no better than trust to the ingenuity and resourcefulness of the American business man? Well, George Peek personifies just that.

He was down at Old Point Comfort taking a much-needed rest when the rigors of peace called him, not like Cincinnatus from his plow, but from his game of golf. For over a year he had been holding a hot pace as one of Mr. Baruch's right hand men in the War Industries Board, working day, night, and Sundays, he had been commanding the ceaseless offensive of the twenty-eight divisions of the Finished Products Section.

Now, the war won, he was filling his big lungs with the warm, salty sea breezes, getting his game once more below ninety, and—looking forward with genuine pleasure to a trip to Europe. For Mr. Baruch had cabled him to come to Paris to assist him in his work as business advisor to the American Peace Commission.

"What's the idea?" said Mr. Peek, in effect, to Washington. "My war office is closed. I've sent my files to Moline, sold my motor, had my picture taken as a war industries veteran; the boys have all gone home to meet with their boards or take vacations—what more can we do?"

"Come to the Capital and we'll show you," replied Washington.

"But I'm booked for Paris," returned George Peek, with his eyes resting longingly

on his golf bag. "Can you get me off there?"

Two cables were flashed to Paris, one to Mr. Baruch, another to President Wilson. Mr. Baruch and the President conferred. In both their minds was this picture: a clean-cut young man of forty-five; Vice-President, Sales Manager, and one of the most active executives of a sixty-five million dollar corporation, Deere & Company, of Moline, Illinois; not a millionaire himself, but a man whose deeds have pushed far ahead of his words, whose impulses rise above merely personal interests, who is resourceful, who works like a Corliss engine.

The President advised that Mr. Peek be allowed to proceed to Washington. George Peek is a soldier. He came.

He came, he saw the new idea, and, as this is being written, is again terribly hard at work, commanding our peace-time industrial front. For a general staff, he has gathered about him Samuel P. Bush, a maker of steel castings; George R. James, a seller of dry goods; T. C. Powell, of the Railroad Administration; William M. Ritter, a lumber man; Thomas K. Glenn, a southern steel maker, and Anthony Caminetti, Commissioner of Immigration, Department of Labor. All these men, with the exception of the last two, are veterans of the War Industries Board.

## The Job of Peek

MR. PEEK'S board had its birth in the brain of William M. Ritter, was brought forth in the office of the Secretary of Commerce, and was baptised at a meeting of the Cabinet, with the radio blessing of the President. Its purpose, baldly stated, is this: To get buyers and producers to come together, look these unemployment figures (and each other) face to face and see what can be done by the application of horse—I almost said war—sense. This board is an emergency device which, however vague its outlines, however extra-legal its aims, is, once you examine it closely, something of a sensation in the art and science of government.

Mr. Peek, his board, and their guests sit round any convenient table. Mr. Peek invites each to speak his mind. The leader's frankness and informality encourages them to open up freely. At the right moment, the chairman throws out a suggestion. It lands. It is constructive. Industrial restoration takes a step forward. The wheels of government, business, labor, again begin to mesh. There are no opinions, no laws—only facts. There are no votes, no resolutions, no tape of any hue—it is just a piece of good national business.

Good business practice: that is George Peek's most valuable contribution to this baffling matter of liquidating our peace-embarrassed industries. And that isn't all he's doing. There's something else I want to say about him, and I don't know just how to express it. A man who has worked with him closely put it to me this way:

"George Peek has energy and ingenuity *plus* a personality. There are enough men in this country, God knows, who work hard; and we have plenty of these human, affable chaps who go well with a good cigar. But the trouble is that the hard workers are machines and the affable chaps lack the punch that get things done. Peek is the rare exception. He works well all the time and yet, whenever he talks to you, gets right under your jacket. He speaks right out in meeting—straight-arm stuff. He's a man's man."

You think I am exaggerating this quotation? No, sir! I have talked to George Peek myself and I know. I trailed him to his modest little office, second floor rear in the Council of National Defense building. Although it was the end of a long, busy day, he gave no sign of weariness, but leaned back in his chair and smiled out of his deep-set, gray eyes.

I asked him first about his faith in the thing he was doing. I knew he had already held several meetings with industrial representatives, two with war service committees of the United States Chamber of Commerce. A protest had arisen in certain quarters that the time had come for the government to "cease its interference with business." "We don't need artificial control any longer," said these men: "let business alone and the law of supply and demand will cure all its present evils."

"I know these objections," said Mr. Peek, "but they don't worry me. The men who make them don't understand what we're trying to do. We don't propose government control. The board has no power of control. War conditions made it necessary to supplant the law of supply and demand with artificial controls. The board purposes merely to persuade industry itself to take those measures which are necessary to reinstate this law. The war has developed a new thing in government: cooperation and mutual help between government and industry, in which the government appeared not as a policeman, but as a friend and helper. Though the war is over, I don't see why we should not take advantage of this new way of getting results, do you?"

## Analyzing the Situation

"BUT it is said," I persisted, "that business and industry will not come into a governmental conference unless there is some compulsion to do so."

"The experience of the War Industries Board utterly disproves this. Patriotism impelled faith in a mutually helpful board during the war, and patriotism is not adjourned with the coming of peace."

"But won't lower prices shut off high cost



and inefficient producers?"

"Undoubtedly, in some cases. But the American people cannot now be expected to support production not normally needed. Inefficient production would be cut off anyway by the law of supply and demand, whether or not the board's plan is accepted."

"But won't these changes," I asked, "require redistribution and readjustment of labor?"

"That, too, is inevitable."

"And won't a general reduction in selling prices force industry to take a loss on products purchased at war prices?"

"Undoubtedly. That, too, is inevitable, but under our plan better adjustments are possible. Buying will begin immediately. The overhead of continuing high cost operation through a period of stagnation will be eliminated, and finally, much of the loss will be recouped by buying at fair prices and selling in the increasing market that will certainly result from more prosperous conditions."

The hope of a normal convalescence for this country lies largely in this plan and the personality behind it. Of the personality, his many friends say: "He works hard; he has a way that men like."

I asked him, "Why do you work so hard? Is it fun?"

"Why do I work so hard? I don't know. It must be because I like to. Yes, it's fun to me. If it wasn't, I'd strike for shorter hours. As for getting along with men, well, if there is any secret about it, it is this: I try to understand the other fellow and get at what he is thinking about. I don't try to force men to change their minds. I don't try to sell them anything unless I am sure I've got something they will want once they understand it. By letting them do the talking first, you see, I am helped to show how my plan fits in with their own ideas."

"Is that a method you found successful in your business?" I interrupted.

Again a smile, and this: "Yes, it is a principle I have made practical use of in selling plows, wagons and binders. I try to teach it to our salesmen. I tell them they've got to believe in the virtues of the thing they are selling. If their impulse is to sell simply because they want to sell and not because of the profit of their article to the other fellow, they'll never succeed. That is the greatest fault of most salesmen. There are a lot of them running around the country to-day who really know very little about the thing they're trying to sell."

#### From Clerk to Vice-President

THAT was all, that and the smile. I looked at the smile, and if I owned a farm, be it only a cabbage patch, I should then and there have booked machinery for each of the seasons. At that instant, too, my eye lighted on a lithograph advertisement pinned on the wall of Mr. Peek's office. In bright colors it depicted bales of cotton and sacks of corn and wheat. Beneath the bales and the sacks were figures showing how many of each it

would take to buy a planter, a sulky plow, a binder! Here was getting at the mental insides of the farmer! Bravo! How enthusiastic the world is over the man who is enthusiastic about a thing worth doing and who is doing it well!

George Peek himself first discovered the

The papers gone over and approved, Mr. Webber looked at the young man quizzically and said: "Well, what do conditions look like up country?"

"Lovely; everything looks fine."

"What are the prospects for sales in these towns you visited?"

"Pretty bad, I'm afraid."

"Bad, why, what's the matter?"

"They've already placed their orders."

"So somebody's beat us to it."

The young collector opened his valise and drew forth a fistful of contracts. Mr. Webber looked them over and gasped. George Peek had put over the season's sales! From the town of Argyle, Minnesota, alone he had an order for four car loads of wagons from a new customer!

#### A Turning Point

THIS little adventure of his youth Mr. Peek refers to as the turning point of his career. "It was as much of a surprise to me as it was to the boss to discover that I could sell," he says. Thereafter George Peek was a star "machinery man," and five years later Deere & Company gave him a kingdom all of his own. The Omaha branch being then one of the weaker sisters in the Deere family, Peek was sent there as manager.

He remained eight years. He wrote a new chapter in the machinery jobbing business of this country. He joined the Omaha Club; he became a director of a bank, and he erected one of the finest machinery jobbing houses in the country, a building that stands as a landmark in the city of Omaha to this day.

Here in Omaha, too, George Peek first showed his gift for business diplomacy. He discovered that the salesmen were suspicious of the boys doing the ordering, that the order clerks were saving things behind the backs of the accountants. Result: jealousies, passing the buck, lack of team work. So the manager organized a little private industry board which met once a week around a table.

"I encouraged the boys to talk things out to each other," he explained to me. "They did so; their conflicts vanished; they understood each other's position; and complete harmony resulted."

The Omaha job brightened the luster of George Peek's rising star. His knowledge of the business and his enthusiasm were needed in Moline. As one of the stockholders declared at this time: "I'll feel that my investment is a lot safer if George Peek is sent to headquarters."

He went. He took charge of the instruction of all the firm's salesmen. He called them in from all over the country, took them in bunches to the company's experimental farms, had them drive the machinery they were selling, made them study farm economics, soils, mechanics. He wrote a text-

(Continued on page 76)



© Harris and Ewing

This is Peek

magic possibilities of his talent for persistent effort—plus his personality—when he was twenty-four years old. He was then a clerk in the farm implement jobbing house of Deere & Webber. He had been bill clerk, a floor salesman, and was now recording farmers' notes.

One of the salesmen left to fight Spaniards in Cuba. Before putting another man on his territory, it was necessary to send someone else to clean up his settlements. The new man must start out without the handicap of having to make collections for his predecessor. It was an ungrateful job—and George got it.

After being gone only a few days, George turned up again, smiling. Mr. Webber greeted him with: "Hello, you back already? What's happened?"

"Well, I made a lot of those settlements and thought I'd better report and let you O. K. them before I went any further."



# Uncle Sam—Holding Corporation

Being the tale of how the government, to win the war, took unto itself such ancient sins as interlocking directorates and air-tight monopolies.

THE corporate form, already highly developed and esteemed in the United States for ordinary business purposes, did its share in the special business of war. The government even had a publicity corporation; the Four Minute Men who spoke to good purpose in every hamlet were incorporated under the laws of Illinois.

When the armistice was signed the federal government had become the biggest holding corporation on record, and in its own concerns it looked upon interlocking directorates as a virtue and not a defect. Besides, the Attorney General in his new rôle as counsel for the holding corporation gave assurances that the government's own companies did not need to bother about our champion bogey man, the Sherman Act.

After the fashion of any plain, every-day promoter, the government apparently looked over the laws of different states, before it chose the state whose provisions regarding corporations it liked best for the particular purpose in view. Thus, it utilized for its corporate subsidiaries the laws of the District of Columbia, New York, New Jersey, Delaware, Connecticut, and perhaps several other states. Under the laws of some of these states a corporation could do almost anything it pleased to set out in its charter,—i. e., outside that particular state! Under the laws of Connecticut the "War Trade Board of the United States Russian Bureau (Inc.," obtained a charter which set out powers that were well nigh sufficient to govern the whole of Russia and run all of its enterprises, with perhaps the development of Central Africa as an incidental undertaking. Of course, most of these powers existed merely on paper, for the Attorney General plainly intimated that, however broad the charter declarations of such a corporation might be, the general managers could not take any action beyond the authority which was allowed them by Congress.

Out of the activity of the federal government in creating corporations as its agencies for doing a great variety of things in support of the war any number of legal questions might have arisen to delight the lawyers. Having a war on hand, however, nobody cared to raise questions. With the federal government creating "separate entities" which it absolutely controlled, which obtained all their funds from it, which received great powers from the President, and which did things in the states which probably the federal government itself could not do directly, there were naturally a number of narrow escapes from causing legal battles of the first order.

## Side-stepping Trouble

IN a thoughtless moment one of the corporations inclined to defend a suit brought against it in a local court for damages on account of breach of contract by setting up that the corporation was in effect the government. Foreseeing troubles without end in prospect, wiser heads protested with such unanimity and to such good purpose that the corporation went to trial on the merits, permitted a jury to pass upon

its doings, and so allowed that dangerous question to go by default. When the war ended these corporations were going into the court of justices of the peace, if need be, to explain, for instance, how they came to spill a little dirt on an irate citizen's back yard. In such a place Uncle Sam himself never appears; he has courts of his own for his resort, when in his proper person he chooses to engage in a law suit.

The legal questions arising in connection with the Emergency Fleet Corporation in the course of a year came to engage the attention of a staff of twenty-three lawyers at the home office and nine or more at ports around the country. These gentlemen agreed they had to deal with a brand-new departure in the machinery of government.

The Fleet Corporation,—its legal title is the "United States Shipping Board Emergency Fleet Corporation of the District of Columbia,"—led the way among our war-time corporations, being incorporated on April 6, 1917. It was created under the general laws of the District of Columbia, like any local enterprise for the conduct of a grocery store or a garage. It began with a capital stock of \$50,000,000 and with the members of the Shipping Board as trustees. Authority to create the corporation was expressly conferred upon the Shipping Board in the Shipping Board Act of September, 1916. The purposes stated in the charter were to buy, requisition, commandeer, and construct ships, and to operate them. The capital stock is actually held by the government, although there is existing authority of law to sell the whole or any part of it to private individuals.

## A Search for More Room

IN a year the Fleet Corporation had grown until its staff had quarters in twenty-three buildings in Washington, and finding the national capital too crowded to afford elbow room it loaded itself on motor trucks and proceeded overland to Philadelphia, thereby boosting the possibilities of motor transport but overlooking the opportunity to advertise waterways by junketing on a fleet of scows and barges by the water route. Perhaps the scows were too scarce, just then, for such a picturesque variation upon the usual American method of spring moving.

Before the flitting to Philadelphia, the German spring drive had bent back the British line. The Fleet's form of retaliation was to acquire a steel-maker as its Director General and redouble its efforts to put new boats overboard. At the end of October its commitments had aggregated \$3,446,000,000. By reason of construction activities it sent to sea 49 new ships in 1917 and 526 in 1918, and it had been so busily occupied in creating shipyards, and everything that goes with them, that its name appeared on many a shiny street-car that was bought to haul workmen to the yards.

It was not without an eye on its needs in operation of vessels, either. It has enough schools for training men for service on merchant vessels to be ranked as a pretty big university, and to meet some of its special problems it had even resurrected the super-

cargo. As everyone used to know in the good old days of sailing vessels, the super-cargo goes along on a ship to represent the business side of the venture, and see that the captain, however much of a wizard in "shooting the sun" and other mysteries of navigation, does not bungle the business end of things. In particular, he is along to see that his steamer does no loafing at ports of call.

There were food problems as well as ship problems. Therefore, the Food Administration Grain Corporation, with capital stock of \$150,000,000, was incorporated under the laws of New Jersey, by direction of the President who wished an agency to exercise powers conferred upon him by the Food Act of August 10, 1917. Except for shares necessary to qualify directors, the government received the stock in return for the money it placed in the corporation, out of appropriations.

The corporation has power to purchase, manufacture, sell, store, handle, or otherwise deal in grain, feeds, and their products. It enabled the President to stabilize the price of wheat and flour in the United States, and if it receives the billion dollars which Congress has now appropriated, it will be the agency through which the government's guarantee to farmers about the price they will receive for wheat until June 1, 1920, will be fulfilled. It has offices in New York, Baltimore, Philadelphia, Buffalo, Chicago, Minneapolis, Duluth, St. Louis, Kansas City, Omaha, New Orleans, and Portland, Oregon. It has been the purchaser in the United States for grain and flour which allied countries obtained here. By the end of 1918 it had bought for all purposes around 600,000,000 bushels of wheat alone.

What loss the government will eventually have to absorb by reason of the guarantee it gave to farmers in connection with wheat, when an increased production was as necessary as soldiers and artillery, is still a question. Even if the loss should aggregate the whole of the billion dollars which Congress may appropriate, it would not very greatly exceed the sacrifices which allied countries have made in order to keep wheat bread within reach of their people. This purpose has been costing England \$300,000,000 a year and France \$200,000,000.

## That Huge Wheat Supply

AS a matter of fact, the Grain Corporation does not seem to be inclined to have the whole burden of the guarantee of wheat fall on the United States. Pointing out that allied countries have to obtain large quantities of meats from us, and that our government's efforts to increase production were in their interest, it has suggested to Congress that power be given to the President to levy embargoes on exports, in order that ability to impose restrictions may be used in bargaining with allied countries on terms which will mean that in consideration of their getting meat and meat products from us they will not shop around the rest of the world for wheat but will take from us quantities which are fair in view of the supply of meat we furnish them.



Sugar is another great commodity which was placed in the hands of a corporation. The organization of the United States Sugar Equalization Board, a corporation chartered last July under the laws of Delaware, had its genesis in the efforts of our government to increase the production of sugar at home; the endeavor was to prevent an expected shortage in 1918-1919. Responding to requests from the President, our beet-sugar factories contracted to pay for sugar beets a price sufficient to lead farmers to increase their acreage. Agreements were also made with producers of cane sugar in Louisiana and with the beet-sugar factories regarding the price they would charge for refined sugar, —9 cents a pound,—a figure which was considered fair in view of increased costs and the necessity of stimulating production.

But most of our sugar comes from Cuba. Consequently, if these arrangements made in the United States about prices were to be effective, something had to be done about Cuban sugar. The Equalization Board was incorporated to meet this situation. It entered into an agreement with the President of Cuba and with Cuban sugar producers and became the sole American purchaser of Cuban sugars for the crop of 1918-1919 at stated prices. Pretty much like any other corporation, it then went to the banks and arranged for financing its transactions.

With the American refiners of Cuban sugar it entered into an agreement, which if used by other concerns would have violated every line of the Sherman Act. It required them to buy raw sugars exclusively from it, at fixed prices, and to sell to the public refined sugars at no more than a fixed price. There can be little question that through this procedure the supply and the price of sugar were pretty effectively stabilized. Incidentally, in handling the Cuban sugar the Board made a profit of 25 to 35 cents a hundred pounds, out of which to pay expenses, with a possibility of a net profit remaining to go into the United States Treasury. Besides, the Board turned a profit of \$15,000,000 or \$20,000,000 when it took over the old sugar in the country at old-crop prices and sold it at new-crop prices. This was a means of preventing its new prices from accruing to the private profit of holders of old sugar.

Coffee undoubtedly has an association in the American mind with sugar. That may account for the Sugar Equalization Board being asked, in the autumn of 1918, to control our imports of coffee, too. That was no small matter, either; as the world's champion coffee-drinkers the inhabitants of the United States use 500,000 tons of coffee beans a year. Our coffee cups have played no small part in creating friendly relations with Brazil.

The Board intervened with regard to coffee in order to reduce imports to a minimum, and thus save ocean tonnage, and to see that imports were equitably distributed. Before it got far, however, the armistice came along, and the Board let coffee go its own way, undoubtedly to the delight of Brazilians who have been piling up such a surplus that their government had to help carry the load.

The manufacture of materials for war meant enlarged plants, and new plants, and new workmen by the thousands. New work-

men meant houses. Thus, there was reason for the creation of the United States Housing Corporation, which was organized under the laws of the State of New York, with one thousand shares of stock without par value, but reckoned at \$100,000 each. This was a one-hundred-million-dollar concern. The Secretary of Labor on behalf of the United States held 998 shares, receiving stock in return for the money which he paid into the corporation out of appropriations made by Congress to provide housing, local transportation, and general community utilities for industrial workers at arsenals, navy yards, and essential industries connected with the national defense.

### Some Mere Trifles

**B**EFORE the armistice this corporation had under way 94 projects, ranging from sewers and street-car lines to complete communities,—houses, roads, sewers, water supply, and everything else. It purchased pretty nearly everything except munitions of war; its buying ranged from water bottles, tooth-picks and cuspidors to apartment houses. In connection with its housing projects, it entered into contracts with municipalities quite after

Northwest. It bought logs with as much avidity as some of the other corporations purchased wheat, sugar, or iron beds. Today, if one writes to the War Department about spruce logs, he is told that regarding such matters he should correspond with the spruce corporation, "a separate entity from the United States Government."

In fact, the separateness seems to be so distinct that when the War Department was announcing it would not sell motor trucks at auction the Spruce Corporation advertised 250 of them,—and everybody solemnly agreed that there was no departure from the War Department's announcement!

The Spruce Corporation has other things to sell. When the armistice was signed its military directorate is understood to have acquired great equipment for logging and lumbering operations. Its plans may be gauged by the stock of lumber it already had on hand; in January it opened bids for sale of 28,000,000 feet, and got \$18.10 a thousand, or around \$500,000 for the lot.

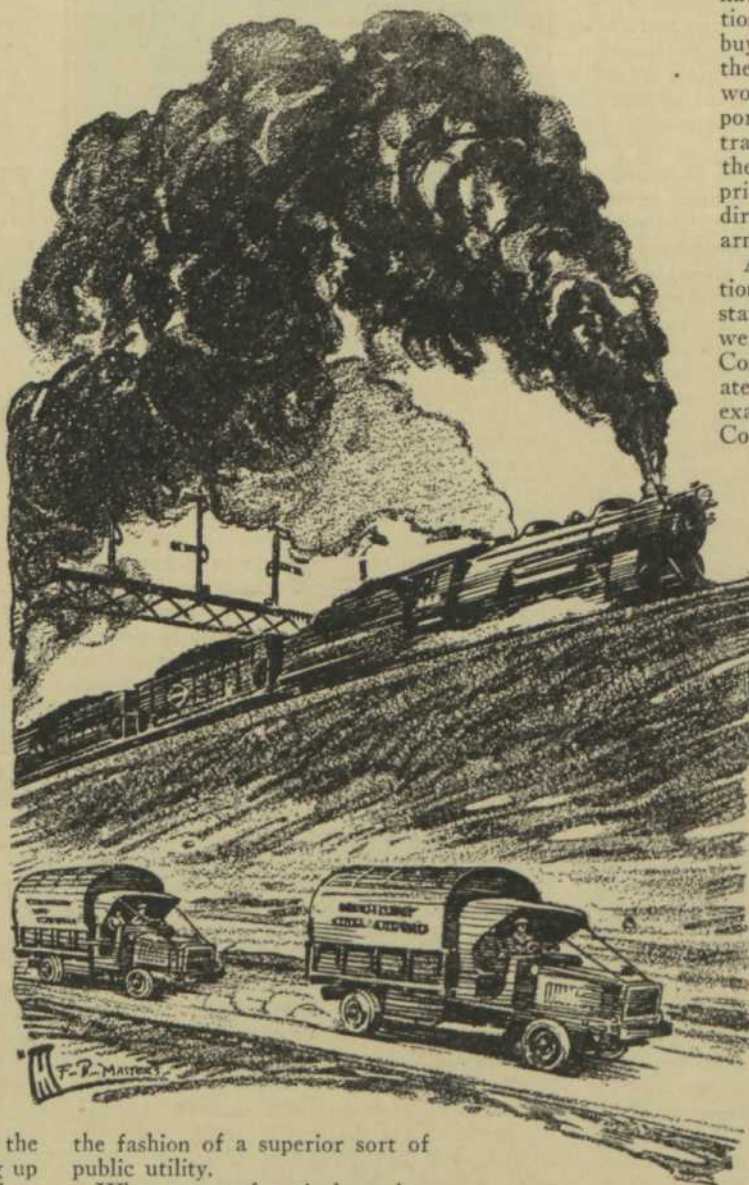
This is not the whole story of the government's corporations. If it had not been for the armistice, there might have been others. For example, out of the Minerals-Control bill, which became law on October 5, 1918, might

have grown a minerals corporation, engaged in contracting to buy minor minerals produced in the United States at prices that would permit diversion of a proportionate amount of ocean transportation to other uses, and then selling these minerals to private users. Any plans in this direction were cut short by the armistice.

All the government's corporations do not exist by virtue of state laws. There are some which were created by direct act of Congress, and consequently operate under federal charters. An example is the War Finance Corporation, which was to provide financial assistance for industries directly necessary for war, and which, by reason of the government's own direct demands on the money market, might have difficulties. The very creation of the War Finance Corporation had an important tendency in stabilizing financial conditions. Besides, the Federal Reserve system probably accomplished more than even its friends expected.

The Finance Corporation is a sizable institution. It has an authorized capital of \$500,000,000 and power to sell to the public its bonds to the amount of \$3,500,000,000. Its paid-in capital has been \$350,000,000, which it received from the Treasury in return for its stock, and this nest egg has been of sufficient proportions to permit it to get along without selling bonds. In addition to lending about \$167,000,000 to industries,

of which it has received back over \$50,000,000, it has been the government's medium for purchasing Liberty Loan bonds in an endeavor (Continued on page 67)



the fashion of a superior sort of public utility.

When spruce for airplanes became one of the most necessary things in the whole war program, the United States Spruce Production Corporation was formed. Its function was to get out spruce in the Pacific



# A Referee for World Trade

In the past trade followed the flag and—got into trouble. Now we say: "Bunch the flags at one place and let world trade expand only with wise guidance"

By WM. S. CULBERTSON

United States Tariff Commissioner

**T**ODAY there are relations between nations which are not adequately regulated by either law or custom. A certain amount of independence of action must be given up by individual nations in order that these problems, which are world-wide and which no one nation in and of itself can solve, may be considered by an international organization looking at them from the world point of view.

The economic life of the world has in many ways burst the confines of the individual state. Insofar as it has, it is without a coextensive control. Nations have merely accentuated the fierceness of individual competition in world trade and financing. To uncontrolled individualism has been added an uncontrolled nationalism. This situation points conclusively to the necessity for an international organization vested—even if in the most rudimentary form—with the essential elements of government.

In trade between nations is to be found a striking instance of the inadequacy of national control. In the struggle for the world's markets the evils resulting from the unrestrained competition of private interests, only too often supported and urged on by aggressive and imperialistic governments, have been most prominent. It is in international affairs that the let-alone policy—*laissez faire*—has had the freest hand. The absence of a regulative force arbitrating between conflicting interests has resulted in economic anarchy. It has permitted ruthless, bitter, unfair competition for foreign markets, open and concealed bounties, discriminations, rebates and unfair practices in transportation.

No international body existed before the war which could lay down standards of trade and competition or which could investigate and give publicity to unfair practices. Each nation pursued such practices as it dared.

## World Trade Sins

**F**OREIGN trade is an important and necessary part of the world's economic life. There are legitimate ways in which a nation may promote its export business and the war has made it doubly necessary that the nations adopt them. Industries must be kept running both because labor needs employment and because only by producing wealth can the wastage of war be repaired. A period of depression, low wages, and unemployment may bring grave social and political disturbances.

But in the plans for trade promotion the national idea is overemphasized. The unregulated contest for markets is beginning again. Can the world ignore the international element with impunity? In domestic affairs nations have recognized the necessity of adopting means of preventing unfair discriminations in trade and transportation. In international affairs a similar regulation is essential. One of the results of the war should be a frank recognition of the fact that there are some ways in which export trade should not be promoted.



Only brief reference can be made to the nature and variety of unfair methods employed in foreign commerce. Among the best known are bounties, both direct and indirect, on production and exportation. Bounties may be concealed in drawbacks. Drawbacks are intended to refund to exporters the customs duties which they have paid on raw or semi-manufactured materials. If they do no more than this, they are entirely proper. They may be devised to give the exporter more than compensation and thus become a concealed bounty. Ship subsidies may be granted by a government on the understanding that lower shipping freights or preferential service will be given to citizens of the country in question.

Counterfeiting and imitating the goods of a foreign competitor are not infrequent in foreign commerce. A manufacturer may build up by advertising a good will of great value in a trade-mark, a design, or carton. His foreign customers come to associate quality with his distinctive marks. Among uneducated peoples the label on a package when once it has become familiar to the eye of the purchaser and he has learned it to be the brand of a good article acquires a peculiarly great importance as a selling factor. Into this market there may come an exporter from another country, who imitates the established trade-mark or design and attempts to pass his goods off for those of the other.

The artificial depression of prices by organized buyers is another unfair practice in trade between nations. In the United States, for example, the individualistic character of our industry in some cases enabled foreign buyers to play one producer off against another and thus depress prices. The copper

industry at times suffered from the well-laid plans of German metal interests. The business was demoralized and American resources sacrificed.

Espionage may be carried out through foreign banks. It is asserted frequently that foreign banks reveal to their home connections details which they have learned from patrons of other nationalities. The president of an American locomotive company testified before the Federal Trade Commission that when he had to deal through a German bank he had evidence that his German competitors were informed completely as to American production costs and other business secrets.

Unfair price-cutting for the purpose of destroying a competing industry or for the purpose of putting a competitor out of business raises clearly an international question. Each country may handle this practice within its own jurisdiction by anti-dumping legislation, but some countries have no such law. Countries which have no industries to protect may welcome "dumping" and the effect it may have on a foreign firm is of little concern to them. Unfair competition is likely to take place in parts of the world where local laws which condemn it are absent. But it is just such situations as these that cause international complications and persuade governments to extend their arm in the defense of their citizens.

Many other unfair practices might be mentioned. They include the inducement of breach of contract, "full line forces," bribery, threats, disparagement of goods, false and misleading advertising, fighting brands, and boycotts. These examples will serve to suggest the sort of methods which are undesirable in developing trade between nations.

Not less objectionable than unfair methods of competition between nations are discriminations in communication and transportation. Steamship lines and cables are not looked upon as international public utilities but as national assets. It is certain that their control has frequently been used to the advantage of the country which controls them.

## Where Trouble Begins

**I**NDIVIDUAL nations have properly tried to protect themselves against unfair trade and transportation practices. Countervailing duties have been used against bounties, anti-dumping legislation against price cutting, bargaining tariffs and retaliation against other practices. Negotiations have resulted in separate agreements between nations for the protection of industrial property. But it cannot be pretended that action by single nations or bargaining among them, two by two, will solve the problem. The problem is essentially international in character. Its most serious features relate to competition in economically backward countries where the interests of great trading nations clash most harshly. In such places the local government furnishes no protection and the imperialistic tendencies of



their home governments often merely help to embitter the traders' contest.

These practices, therefore, contribute to trade wars. They are a part of a system which holds that a nation's only means of protection is in its own economic and military power. Until nations can find protection and security in a just international organization, they will make trade plans and build ships with a view to winning trade wherever they can and by any method they care to adopt. So the Allies planned at the Paris Conference in June, 1916. Happily, military victory has made this plan for trade war unnecessary but it should serve as a warning. We must move forward to a position where foreign trade will be controlled in the interests of world peace and prosperity. One of the chief tasks before the democracies of the world is to introduce democratic principles into foreign commercial relations.

All the leading countries of the world have laws dealing with business competition which suggest valuable precedents to guide in the regulation of trade between nations, but only those of the United States will be considered here. These are particularly significant because of the federal character of the American Union. At common law many unfair practices were held unlawful. Particularly voluminous are the decisions of both British and American courts forbidding the counterfeiting and simulation of goods, a practice in international trade which has been a cause of so much irritation. Under the Sherman anti-trust act also the American courts have prohibited unfair methods of competition.

No unfair practices arise in international commerce which cannot be paralleled by cases

arising in the interstate commerce of the United States, but before the obvious conclusion is pointed out, the method by which transportation discriminations have been prevented in the United States between shippers and between states should be considered. The Interstate Commerce Commission—limited in its powers at first, now a powerful regulative force in interstate commerce—is suggestive of the way in which an international commerce commission might grow.

Remarks of the Supreme Court of the United States in interstate commerce cases argue not only for a unified regulation of commerce among the American states but also among the nations of the world. Nations individually, no more than the States, can determine what rules shall govern in commerce among them. There must be a permanent authority.

### It's Not a New Idea

**I**NTERNATIONAL action to regulate competition between nations, however inadequate, is not wholly lacking. The most conspicuous and successful is the Brussels Sugar Convention which stopped the direct and indirect bounties on European sugar.

The Fourth International Congress of American States, which met at Buenos Aires in 1910, adopted conventions designed to protect inventions, patents, trade-marks, and trade names. Infringement of the rights of citizens of any signatory country was made punishable according to the laws of the country in which the offence was committed.

The most important of these agreements is that of the "International Union for the Pro-

tection of Industrial Property," which was formed in Paris in 1883. With succeeding additions and modifications this agreement was signed at Washington in 1911, by representatives of all the leading nations.

An international agreement for the prevention of false indication of the origin of goods was entered into at Madrid in 1891, and revised at Washington in 1911, by a number of nations, and an agreement for the protection of works of literature and art was made at Berne in 1886 and revised at Paris in 1896 and 1908. The United States is not a signatory of this last agreement.

The most constructive proposal that has come from an authoritative source for a greater degree of uniformity and for better means of enforcement, was that of the Sixth International Congress of Chamber of Commerce and Commercial and Industrial Associations which met at Paris in June, 1914. A special report was made to this congress suggesting that it undertake to secure international action for the suppression of unfair practices.

The proposals of this congress were never put into effect as the great war broke out a few weeks later, but now that nations are ready to resume their search for methods of dealing with unfair practices in international trade, they may prove a valuable guide. The war experience added at least one constructive element. The inter-allied control of shipping, food, credit, and raw materials demonstrated that nations could act together to achieve a common purpose which no one country could achieve alone.

Such international arrangements as have

(Continued on page 72)



Basking in the sunlight, these chattering Chinese know nothing and care less about world politics. Yet the backward nations offer every provocation for trade clashes. Over 185,000 foreigners compete with

each other for trade in China. Democratic principles must supplant force in international business relations or such conditions will continue to breed hatreds and danger.



# The Responsibility of Victory

By WILLIS H. BOOTH

*Vice-President of the Guaranty Trust Co.*

**I**T is important that in our new awakening we comprehend the responsibilities, as well as the fruits, of victory. And there is as imperative need now for a radical readjustment of our mental attitude as there was when autocracy threatened our national existence. We should realize that if peace has her victories no less renowned than war, she likewise has her dangers. "There is a peace more destructive of the manhood of living man than war is destructive of his material body."

It is time to free ourselves from the hypnotic spell of our glittering and unprecedented gold reserve, of our unequalled wealth, and of our tremendous trade balance.

There looms before us today a tax bill of unprecedented proportions. The officials of the Government state that the public needs will require at least \$18,000,000,000 for the fiscal year of 1919, and probably \$10,000,000,000 for 1920. On December 31, 1918, the outstanding obligations of the Government in bonds, certificates of indebtedness, war savings stamps, etc., amounted to \$21,000,000,000. The interest on this is estimated at \$1,000,000,000. In addition, Mr. McAdoo, before his retirement as Secretary of the Treasury, emphasized the necessity, notwithstanding the advent of peace, for the Government to continue making loans to our allies. This will constitute a considerable drain upon the current resources of the United States.

It is evident that our financial problem is a serious one, and that we are entering perhaps the most difficult of all our fiscal periods—a period, indeed, which will demand the shrewdest, most far-seeing and soundest financial sense and knowledge at our command.

## What the Answer Is Not

**O**NE of the immediately pressing problems of peace is that of transportation, whose multiple ramifications affect every phase of our business life. Perhaps one of the collateral blessings of the war has been the lesson it has taught us that Government operation of transportation is not the answer to this vexatious problem. An increased transportation cost of \$1,000,000,000, which still lacks \$250,000,000 of being met, in spite of largely increased freight and passenger rates, is a sufficient answer to the dreams of the theorists that along that path lies the answer.

I believe in organized labor when it recognizes and practices the principle that obedience to law is liberty. I believe in collective bargaining, but I also believe in the scrupulous observance of contractual obligations. And I would urge labor, organized and unorganized, to realize that the two arch enemies of democratic society are autocracy and anarchy. Now that we have slain the beast of autocracy, we face a no less pressing duty and responsibility to render impotent the beast of anarchy. Labor must help win this new battle, as it aided so valiantly in the other.

The last important responsibility of victory and of peace to which I would direct attention is that of establishing new relations between the Government and business. The

critical railroad situation and other complications have made patent the necessity for mutual cooperation between these two vital elements of our economic life. The Government should learn that "all great offices of state are occupied with commercial affairs," and that "commerce is the greatest of all political interests." Great Britain, France, Italy and Japan have evidenced due apprecia-

rangements for foreign business; the liberation of new industries from taxation; the construction of canals to convert Rome into a first class port; the abolition of taxation on essential industries, and on capital while it is producing; consular agents to act as the "economic eyes" of the nation; and cooperation between financial interests and industry.

Japan is preparing to give Government subsidies; to allow immunity from taxation to certain industries; to guarantee dividends to certain subsidized industries; to arrange Government cooperation with big business interests; to grant large Government appropriations for the developing of essential industries; to send out trade commissions to make detailed investigations and reports; and to establish a commercial intelligence system. The Japanese Government, moreover, will insist that all trades build for the future.

In noting this world-wide trend toward combination it is not surprising that the United States Chamber of Commerce should refer to its members for a vote proposals to amend the Sherman and Clayton anti-trust laws. Unless we properly amend or repeal these statutes, and the La Follette Seaman's Act, we cannot hope to compete successfully for foreign trade.

Of what will our gigantic new merchant marine avail us if we continue to sanction a law that has practically hauled down the American flag on the Pacific and placed trans-Pacific traffic

exclusively under the Japanese emblem, and that compels the payment of wages which makes competition on an equal basis with foreign ship-owners and operators impossible?

England will be justified in her boast that in the building and operation of ships she will remain supreme, for Britain can make ships pay while America cannot, so long as we let the Seaman's Act remain a law.

And we should awake to the fact that we have outgrown our home markets, so that foreign trade on a large scale is absolutely essential for the continuance of our prosperity.

## Still Paying Tribute

**M**EANWHILE we shall continue to pay a heavy tribute to England for carrying our products overseas. Some conception of what that toll aggregates may be gathered from the fact that during the twenty-year period ending in 1914 our total ocean commerce amounted to nearly \$50,000,000,000, an increase of seventy-eight per cent over the previous twenty years; yet American ships earned a little less than \$300,000,000, while foreign ships made more than \$2,500,000,000.

Our Government must stand behind American shipping, as well as American business generally, instead of destructing it. This is one of the most important responsibilities of victory devolving upon the Government. And upon the State Department falls the responsibility of declaring a fixed foreign policy, a policy which will endure from administration to administration. With Congress rests the responsibility of freeing business from the chains of unfair and blighting restrictions.

## King Solomon on Peace

**K**ING SOLOMON had the blues. Six months before he had walloped the Edomites horse, foot and chariots. Now his kingdom, with a vast tribute of vessels of gold and silver, uncounted slaves, and a navy or two of Tarshish, exceeded in riches all others of the earth. But his people weren't satisfied. Still exalted with the war spirit, they called for more news thrillers, for more victory parades, for additional government bonuses for factory workers. His warriors he had disbanded: the spirits of his people he could not demobilize.

"Why is it," he sighed to his Prime Minister, "that my people are greater in war than they are in peace? Something is wrong with them. I wonder what it is?"

Three days he solemnly brooded over this baffling question, then called his scribe and said to him: "Strike out that stuff about victory which I gave you five months ago and put this in its place: He that ruleth his spirit is greater than he that taketh a city."

tion of these actions of statesmanship in their reconstruction programs.

The peace plans of England, carefully worked out by the Government, in cooperation with the country's varied industries, included the lowering of the cost of production of its manufactories; the speeding up of labor; the cheapening of raw material by buying in enormous quantities; nation-sized combinations; the abolition of wasteful competition among manufacturers; the placing of government funds at the disposal of producers who cooperate; the formation of big and influential associations of business men; the insurance of credits; the establishment of a commercial intelligence bureau of world-wide scope; the subsidizing of research bureaus for the benefit of manufacturers; the sanctioning of monopolies among the so-called "key" products; the development of the inner arteries of the empire; the lowering of the costs of transportation, and the granting of preferential rates to British goods.

France proposes to lower the costs of production through standardization and modern methods; to effect an improvement in the relations between capital and labor; to purchase raw material, cultivate new markets, and ship finished products at common expense; to provide assistance to production; to reduce imports and increase exports; to enact liberal legislation in abolishing administrative restrictions; to initiate vast public works, such as road building, railroad extensions, dredging rivers, deepening harbors, and building a merchant marine.

Italy's after-war program calls for protective tariff; the establishment of credit ar-





To make delivery quick and sure the Post Office Department is advocating the general use of motor trucks on rural mail routes.



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**FISK CORD TRUCK TIRES** quicken service and economize cost when a truck is needed for long hauls and quick runs.

**THEY REDUCE BILLS** for repairs and fuel—protect mechanical parts from road shock and make for much greater speed. These are items which turn loss to profit.

A **HEAVILY LOADED TRUCK** on a slippery highway, without real traction tires, is a menace to the public, to itself and to its cargo. More than any other vehicle it should be shod for safety. The Fisk Cord Pneumatic is one of the few tires which meet the safety requirements.

# FISK TRUCK TIRES



# "Information, Please—"

Queries which arise in your mind when you pick up the telephone receiver with the government on the other end of the line

By J. E. FITZGERALD

**Q**UESTIONS, complaints and explanations, official and otherwise, of the new long-distance telephone rates seem to bring out one fact: The new rates are a remedy prescribed by the Post Office Department for financial and other ills, which rates the people are expected to pay cheerfully and uncomplainingly, not because they understand them but because they're good for the telephone system, good for the public, and will be duly appreciated if only the doctor in charge of the case is permanently retained.

But many cannot understand why a physician, supposedly in temporary attendance, insists on performing a major operation.

In taking over control of the telephone lines the Post Office Department assumed that it had authority to operate them as a single system, and this operation was interpreted to embrace rate revision, elimination of competition, and actual consolidation of equipment and plant. On the presumption that war-time control would last several years, or perhaps that Government or other monopolistic control was just around the corner, the Department prepared a complete program of unification and consolidation. Signing of the armistice took the tuck out of it, and thus far only one feature has been carried out—revision of long-distance rates.

The armistice was signed in November; the new rates were made effective late in January. If the armistice meant peace it meant relinquishment of Government control within a comparatively short time, unless Congress meanwhile authorized Government ownership. The action of the Department apparently implied either doubt of peace or hope of Government control. As for peace, that seemed a pretty sure bet.

Two reasons are cited for the adoption of the new rates: Need of more revenue and need of rate reform. Revenue needs were real; rate reform, Kipling would remark, is another story. To higher rates because of higher operating costs the public would consent with the customary grumbling, as they did with the railroad rates. A new system of rates, some higher and some lower, with nobody knowing just what it all means in the sum total of telephone bills, is calculated to raise the telephone user's ire. He wants to know who and what, as well as why and wherefore.

The underlying principle of the new rates is that the entire country shall have long-distance service at uniform air-line rates and that the tolls shall vary only with the class of service and with the distance between communicating points. This reduction of a complicated utility rate problem to a simple formula applicable under any and all circumstances to any and all situations means arbitrary methods.

So far as individual telephone companies are concerned, problems of fair value, fair returns, depreciation, equitable adjustment of cost of service through adjustment of rates—all or most of these went by the board. The telephone systems were taken over as going concerns, entitled to just and reasonable com-

pensation; they have been operated as a single system and the rates have been standardized; the determination of what is reasonable compensation, what is to be written off for depreciation and what set aside for maintenance and improvement rests with the Department.

The Post Office Department is in position to estimate the revenue needed. The difficulties arise from the fact that it seeks to get this revenue in connection with a new universal-service uniform-rate principle. Consequently the revenue end of Government operation is so jumbled up with the new rate methods that the telephone user does not know why he pays a different rate; nor can the Department determine in advance what revenue the new rates will yield. It frankly states that adjustment may be necessary and promises to make needed changes.

The new rate formula is simplicity itself, on paper. A basic rate for station-to-station service is established, consisting of a charge of five cents for each six miles or fraction thereof up to twenty-four miles and thereafter five cents for each eight miles or fraction thereof. To compute a toll charge it is only necessary to know the distance for toll purposes between the two communicating points, and these distances have been determined by an arbitrary system of air-line measurements.

Rates for other classes of service are derived from this basic rate. If it is a person-to-person or particular party call, the rate is twenty-five per cent higher; if an appointment call, fifty per cent higher; if an evening call between 8:30 P. M. and midnight, fifty per cent lower; if a night call between midnight and 4:30 A. M., seventy-five per cent lower; if a report charge, it is approximately twenty-five per cent of the basic rate. In all cases the overtime charge is approximately one-third of the charge for the initial period for each class of service. Charges are rounded off to five-cent steps.

## The Puzzled User

**W**HAT confuses the telephone user is that he knows that he pays more or less for service, he does not know whether this is due to the new classification of service, the new mileage measurements, or new revenue needs. The Department cannot, of course, furnish specific replies to complaints without an enlarged force of official calculators and explainers. Consequently, it offers some facts, some theory, and perchance some pleasant palaver, all judiciously compounded to meet the nature of the complaint.

In any attempt to explain the new rates it must always be remembered that the entire scheme is predicated on Government or other monopolistic control and the principle of universal service at uniform rates.

The new basic rate is for station-to-station service, known to many telephone users as the "two number" or "number only" toll service. Formerly the basic rate in most long-distance business was for person-to-person, or particular party, service. The theory of the new basic rate is that the connection of two sta-

tions is the first step in long-distance telephoning, and in many instances is, or need be, the only service required. Hence the rate for other forms of service requiring more use of personnel and equipment should be the rate for the simple connection of the two stations plus a charge for the additional service performed. If this theory is accepted, it follows that a person utilizing telephone personnel and equipment to get in connection with a particular person should, if this effort fails through no fault of the telephone system, pay for the service rendered, even if it is not a completed service.

## That Station-to-Station Rate

**W**HAT the new basic rate should actually be, depended on revenue needs, the relative rates for other classes of service, and the amount of business in each class. The first of these was the known quantity. Statistics as to the division of business among classes of service heretofore not generally recognized were far from complete. The Department estimated, however, that half the long-distance business was, or could be, satisfactorily handled by the station-to-station service. Whether the relative rates for different classes of service were determined before or after the actual rate for station-to-station service was fixed is immaterial. The fairness and reasonableness of these rates rest largely on two considerations: Cost of the service to the telephone system and its value to the user. The latter is difficult if not impossible to measure. Assuredly, it cannot be stated in precise figures.

The new station-to-station rate is generally lower than the former particular party rate, to which the telephoning public was accustomed. The new particular party rate is fixed at an advance of twenty-five per cent over the basic station-to-station rate, making it generally higher than the old rate for the same service. The additional service performed by the telephone company for person-to-person business consists chiefly of the additional time that the operators and equipment are employed in effecting the connection between the two parties. This, plus the added value of the service to the user, is assumed to be worth at least twenty-five per cent more than simply connecting the two telephones.

For appointment calls the rate is fifty per cent higher than for station-to-station calls and twenty per cent higher than for particular party service. For this additional charge the telephone system arranges for a conversation at a stated time.

At this point the new "report charge" becomes of interest. As previously pointed out, it results from the adoption of the station-to-station rate as basic. Practically, it means that if the telephone system performs the work preliminary to a particular party or appointment call, and through no fault of its own the service is not completed, the telephone user pays for the partial service twenty-five per cent of the station-to-station rate between the two points. Completed appointment calls are



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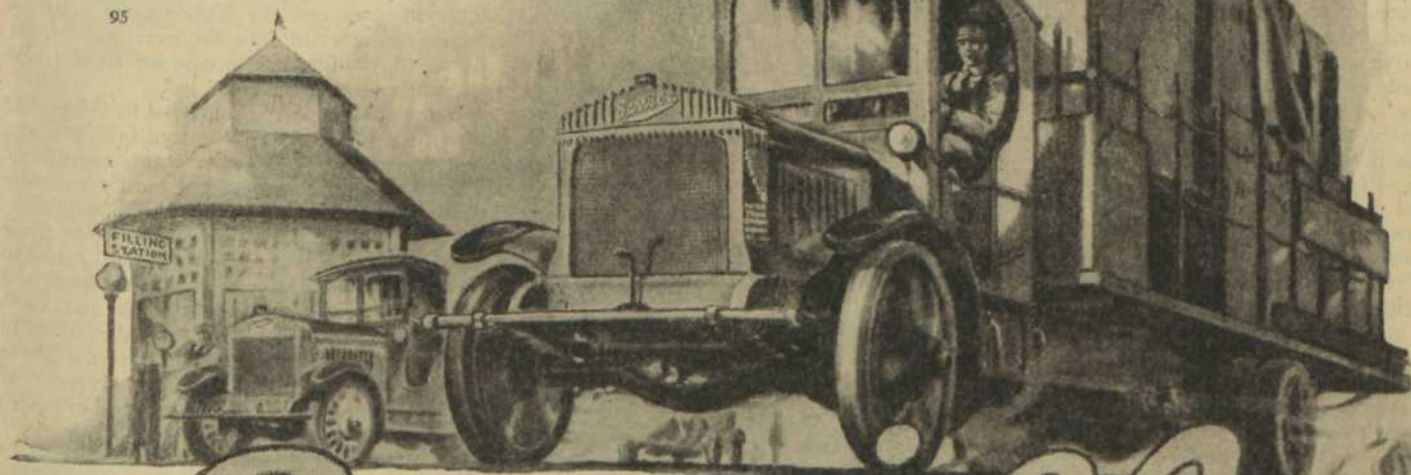
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# Service

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considered worth twenty per cent more than completed particular party calls, but the preliminary service, which presumably is the chief basis for discrimination between the two rates, is considered identical for report charge purposes. It is apparent that either the proper relation does not exist between the rates for the completed services or the report charge is not a true measure of the service for which it is assessed.

### You'll Have to Talk Fast

**O**VERTIME charges, on the contrary, are not based on the station-to-station rate. Instead, use of the line in excess of the initial period costs for each minute approximately one-third the rate for each class of service. In other words, the extra charge for particular party and appointment service is carried into the overtime, and the longer the overtime the heavier the penalty for using other than the station-to-station service. Is it fair and reasonable that, having paid a higher rate for obtaining connection with a particular party chiefly because of the additional preliminary service this requires of the telephone personnel and equipment, the telephone user should continue to pay a higher rate for the time beyond the initial period that he may find it necessary to use the line? Five minutes overtime on an appointment call requires no more service of operators or use of line than the same overtime on a station-to-station call; yet the appointment service overtime costs approximately half as much again. This seems to indicate that distinction between the two classes of service is based, not so much on relative cost, as on the Department's view of its relative value to the user, or on a desire to discourage other than station-to-station service.

In the matter of initial and overtime periods the new rates also distinguish between the station-to-station and other classes of service. For particular party and appointment calls the initial period is always three minutes and the overtime period one minute. For station-to-station service the standard initial period is five minutes if the initial charge does not exceed twenty-five cents. The standard overtime period for station-to-station service is graded down from five minutes when the initial charge is five cents to three minutes when the charge is ten cents, two minutes when the charge is fifteen cents, and one minute for all others. This scale of initial periods places the station-to-station service for short distances more nearly on the plane of local exchange service. The tendency of all these regulations is to require or to increase the use of station-to-station service.

Reduced rates for evening and night service are a new feature so far as their general application is concerned. They will be a convenience and an economy to those who can do their long-distance telephoning during night hours, and they will probably lead to some increase in other than business conversations. Their adoption seems to aim at improving and increasing what might be termed the social service of the telephone. The reductions are arbitrary and cost has little or nothing to do with them.

Air-line distances, it is announced, are used in computing toll rates. This sounds simple, looks simple, and would be simple if the distance used in the rate-making were always the distance between the two communicating points. But it isn't; wherefore, an explanation is required of when an actual air-line distance is not a telephone air-line distance.

For the purposes of the new air-line measurement system, the entire country is divided into blocks thirty-five miles square, each of which contains twenty-five smaller blocks seven miles square. The location of these squares is determined by a line running north and south through the center of the country and another line at right angles to it running through the northwestern point of the international boundary in the Strait of Georgia, which is the northwestern corner of the country. Every telephone station is thus located in both a large and a small block.

If the direct air-line distance between two communicating points does not exceed forty miles, the actual air-line distance is used to compute the rate.

If the air-line distance between the two points is over forty miles but not over three hundred and fifty miles, the distance for toll purposes is the distance between the centers of the two seven-mile blocks in which the respective points are located.

If the air-line distance exceeds three hundred and fifty miles, the toll distance is the distance between the centers of the thirty-five-mile blocks in which the respective points are located.

The centers referred to may or may not be the actual centers of the squares. They can more correctly be described as base points, and are usually the telephone traffic centers.

Use of the block system means that the rate from any station in one seven-mile block to any station in another seven-mile block is the same, although the location of the stations in the respective blocks may make the actual air-line distance between two sets of stations differ nearly fourteen miles. Similarly, the actual air-line distance between two sets of stations in the thirty-five-mile blocks may differ nearly seventy miles, yet the rate be the same. Viewed in another way, the block system serves to put all the people in a zone of specified size on an equal basis in telephoning over certain distances.

Unfortunately the towns and cities of the country took root and grew before this block system was evolved, and they can't well transplant themselves just to fit in with a telephone rate scheme. It may happen that adjoining towns fall in different small blocks or

and fifty miles away. At the same time the rate between the adjoining towns may be only five cents. Such inequities in rates are inevitable under an arbitrary system, and the question is simply whether the merits of the system outweigh the inequities that develop.

If the Post Office Department knows what effect the new rates will have on the telephone public's pocketbook, the information has not been permitted to run at large. Perhaps it is thought best to keep the animal confined on the home premises until it is seen how badly he bites. Meanwhile the telephone user is required to pay, and surely he is privileged to keep books.

One firm's experience is not a sufficient basis for justifying or condemning the new rates, of course, but it is an improvement over the paucity of facts in the Post Office Department's explanations. So here is what happened to a Washington firm:

### How It Has Worked

**D**URING a period of about thirty days since the new rates went into effect it used sixty-nine calls to outside points. Of these, thirty-eight were to Baltimore, fifteen to New York, eight to Philadelphia, three to Chicago and one each to Providence, New Orleans, New London, Richmond and Detroit. The cost of a three-minute conversation to each of these points under the rates given in the last edition of the Washington telephone directory was approximately sixty-seven dollars. Under the new person-to-person service it is nearly eighty-two dollars. The new station-to-station rate, it was found, could be used only in calls to Baltimore, and not in all even of those. Whatever reduction in cost was effected by using this service was practically offset by the report charges assessed in connection with person-to-person calls to other places. Moreover, a number of calls exceeded three minutes and the higher rates now effective are carried into the overtime period. All in all, the increase in cost for service was at least twenty per cent.

No telephone user is appeased by being told that the new rates permit him to talk at lower cost to some place he never wants to call up. The Washington firm talked most frequently to Baltimore, New York and Philadelphia—sixty-one out of sixty-nine calls were to these points. The new person-to-person rates to these cities are, respectively, thirty-three and one-third, forty and twenty-two and two-tenths per cent higher than the old rates. On the other hand, the rate to Detroit is about seventeen per cent lower, but everyone at Washington does not have occasion to call up Detroit every day.

Another Washington firm, curious to know just what it might expect in the way of a bigger telephone bill, went over its record of calls for three months. It found that, aside from five calls to suburban towns, it had held sixty-five long-distance conversations. Of these, twenty-six were to Baltimore, seven to another point in Maryland, and twelve to New York. The person-to-person rates to these points have been increased thirty-three and one-third, thirty-seven and one-half and forty per cent respectively. That is, on nearly seventy per cent of its calls the rates have been raised at least one-third.

Evidently the effect of arbitrarily fixed rates on the public's telephone bill can be correctly gauged only when the direction and volume of traffic on telephone wires become as statistically visible as are those of the rail-

(Concluded on page 41)



even in different large blocks. In the latter case there can be a difference of as much as twenty-five cents in the rates to these two towns from another town over three hundred





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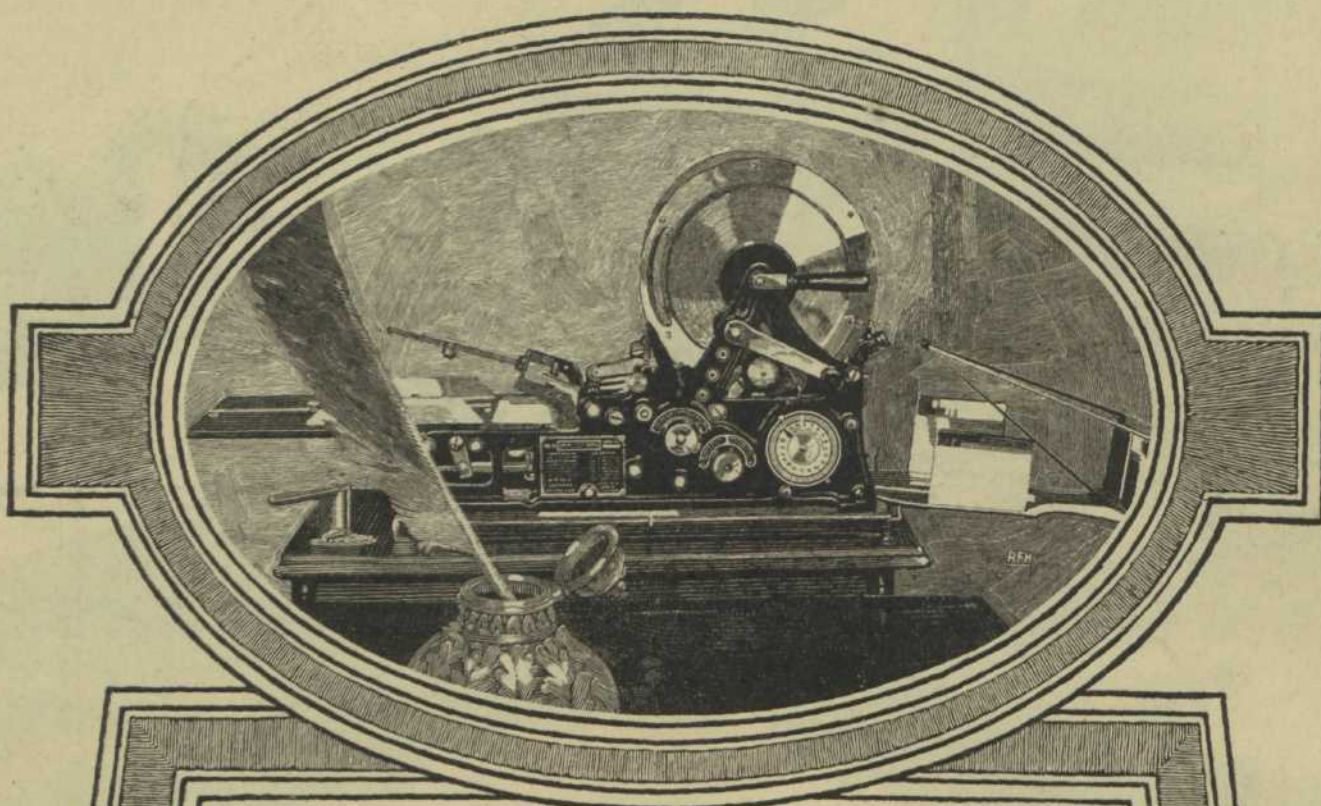
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**"Information, Please!"***(Concluded from page 38)*

ways of the land. The position of the Post Office Department, in short, is this:

Competition in telephone service and rates was needed in the beginning to popularize the use of telephones and to stimulate invention and improvements. The present need is efficiency and economy in operation through elimination of useless competition and unnecessary plant. Telephone rate-making developed in haphazard and unscientific fashion and has been subject to the powers and opinions of public service commissions in forty-odd states. The new rates are an endeavor to distribute the increased cost of operation more equitably and in accordance with the character of service given. The rates can be fairly criticized only after actual trial. Such adjustments as are found necessary or advisable will be made.

To this the telephone user rejoins:

**The Public Rejoinder**

Government control of telephones for the period of the war was not intended to authorize experiments and innovations in rate making that add one more item to the general disturbance of business conditions and practices.

The new rates are arbitrary, experimental, and made at the cost of the telephone user who has had no voice whatever in the matter.

The new classification of service, the new mileage system, and the need for increased revenue have a combined effect on the rates that obscures the situation, making it impossible for the telephone public to analyze the results from each of these factors.

If Government ownership is not authorized and if the telephones are returned to the several companies, the new rate system will become a bone of contention and will necessi-

tate a further period of readjustment, with all its difficulties to the business public.

Whatever the merits or demerits of the new rate system—and it has both—the fact remains:

The Postmaster General, an advocate of Government ownership, while temporarily controlling the telephone lines, has established a new rate system based upon Government-ownership principles. If Government control is continued by sanction of Congress, he can feel that his action was perfectly justifiable. If the lines go back to private control, he can comfortably say in doughboy French, "Après moi, the unscrambling," and pass the job over to the telephone companies and the forty-odd state public service commissions that are now asked to twiddle their thumbs and keep hands off the telephone rates as proclaimed by the P. M. G.

**A Challenge of Peace***(Concluded from page 19)*

by the selfishness of men waiting for bottom prices in order to undertake the obviously needed improvements and replacements, or a country where industrial relations are so far strained as to be on the verge of breaking.

What kind of a country is that for two millions of our boys to come home to? Having supported them by our good will, our earnest endeavor to make good on this side, by our prayers for their safety and courage, we must not forget that in these days of readjustment it is our duty so to arrange affairs that when they come home they will find conditions meet for their reception. They must not be required to beg upon the streets, nor to do those things unbecoming men who have done brave deeds. We must not fail in our duty to them in this period of readjustment.

Not only is there a debt to our boys, but

also a debt to deserve the confidence of our Allies and keep their faith in our right. To some of them it is their only hope. What we are will not measure up to the ideals attributed to us by those we have helped, but we ought to measure up to these ideals as far as we can. These ideals have brought us the good will, reverence and love of other nations. They now see that that flag of ours was to us more than a symbol. It had implanted into every life that came under its influence an undying determination that the ideals that were enjoyed by us should some day be carried forward and made the possession of all the world.

**Paying for the Victory***(Concluded from page 12)*

to former issues. Let him encourage his employees to subscribe in the same liberal way as heretofore.

Looked upon as a nation devoted to the accumulation of money, isolated from the affairs of the world, we are now recognized as a nation which made the supreme sacrifice of blood for the benefit of humanity, a nation which has responded one hundred million strong to the call of the oppressed, a nation peaceful at heart that has within two years' time raised an invincible army over three million strong, a nation that has provided a wealth of fighting material such as has never before been dreamed of, a nation that has financed in a large measure the winning of the war, and last but not least, a nation that has given a free will offering of hundreds of millions of dollars for the healing of the sick, the care of the wounded, the comfort of the dying. A nation which has risen from the pursuit of selfish aims to a devotion to the loftiest ideals.

Let the American business man see to it that these ideals are not abandoned.

# Panama—Menace or Blessing?

That question comes from the Mississippi Valley which also wants to know if it must remain the back-yard of the Atlantic Coast

**By A. C. CARPENTER***Chairman Merchants and Manufacturers Bureau, New Orleans Association of Commerce*

**T**HE Mississippi Valley embraces forty-one per cent of the area, more than fifty per cent of the population, and more than seventy per cent of the raw material produced in the United States. The bulk of the national resources of soil, of mines, of forests and of waterways lie within its boundaries. Consequently the larger part of the national substance must be drawn from it.

It follows then that the Valley has an important function to perform. It must be the source of raw material supply for our own country whose needs have grown rapidly and are destined to grow still more rapidly.

It must also seek foreign trade, this time in finished products as well as in raw material. To do this successfully it must develop its opportunity by reducing its transportation to an economic basis by utilizing channels of low natural resistance. This means that its access to the sea must be had by using its waterways and its easy grade north and south railroads.

During the past half century the Valley has in fact functioned very largely as a back yard to the Atlantic seaboard. The Valley produced the raw material, the food, and the lumber with which to build houses, while the Atlantic seaboard, controlling the finances and the transportation, operated the factories, handled the trade, and managed the shipping. As a result, the Atlantic seaboard has become enormously rich, its power became supreme, and its industrial sections have become badly congested, while the industrial life of the Mississippi Valley has either languished or developed slowly.

The cause underlying this condition was the ability of the Atlantic seaboard through the east and west railroads to control the transportation of the Valley and by a system of rate relationships, differentials, and tariffs so to shape the movement of Valley commerce as to develop the Atlantic seaboard financially, commercially and industrially.

The time and the opportunity to break up this transportation control and to give the

Valley access, by low resistance channels north and south to its natural ports on the Gulf have come.

Half a century ago the commerce of the Valley moved by boats up and down the Mississippi River and its tributaries. There was no other way for it to move. Quite naturally, the boatmen believed their monopoly secure. Likewise, the river towns believed their control of Valley commerce amounted to a permanent monopoly.

For this reason, transportation by boat was permitted to fall behind the times insofar as economy of service was concerned. Cargo space on the boats was confined to space the passengers did not want, or the extensive machinery did not require. Freight was handled to and from the boats by man power alone. Landings were of the crudest character. There were no waterside warehouses worthy the name.

New Orleans, the river's natural port, had no facilities for the accommodation of boats. At that time there was no spirit of public



enterprise that could be capitalized and translated into water-front equipment.

Then the railroads came. They found the basic cost of moving freight by rail greater than the cost of moving it by water. But they also found that economic and convenient rail service was both cheaper and more satisfactory than uneconomic, poorly equipped and inconvenient boat service.

With this knowledge to guide them, the early railroad developers set about killing off boat competition.

The obvious reasons for their success were good organization, through bills of lading, good service, private sidings, intelligent solicitation, and low rates to river towns, as contrasted with none of these essentials in the case of the boat lines.

But there were more subtle forces at work. The early railroad developers were smart men. They knew that if some day the people of the Valley turn over in their sleep and create a system of really economic boat transportation, commerce would again move largely by water.

Two factors aided the railroads. One was the shorter distance between the Atlantic ports and the ports of northwestern Europe to which most of our exports then passed and from which most of our imports came, our exports at that time being almost wholly of raw material. The other was the better and more general steamship service which augmented commerce brought to the principal port on our North Atlantic seaboard.

In the end, a system of transportation was developed which caused raw material rather than finished products to move from the Valley to the Atlantic seaboard, at first for exports, but later to be changed into manufactured products for export. As manufacturing developed on the Atlantic seaboard, the Valley was called on to send raw material, then labor, then food to feed the labor, then material with which to build homes for the labor.

Under this system the Atlantic seaboard gained wealth and power at a far faster rate than did the Valley, and today possesses greater wealth and interest earning power than any other region on earth.

But the Valley possesses greater producing power than any other region, and I am sure its industrial leaders can find a way to accelerate the forces which are now at work to bring into action the real economies of soil, of climate, of transportation and of opportunity.

The Panama Canal itself had brought an entire change in the transportation economy of the Mississippi Valley. The all-water haul had become the cheap haul between the coasts of the United States. Consequently, in terms of transportation economy, the trade centers

of the Valley had become terminal points instead of half-way points on the transcontinental haul, as they were when the rail haul was the only one. In other words, canned fruits could move through the canal to New York, thence by rail to Omaha or other cities cheaper than by rail direct from California to Omaha or other cities. This, of course, makes the New York jobber rather gleeful.

### War Had to Use the Gulf Ports

THE Valley had also begun to wonder why with all its resources of raw material, of food, of labor, and of housing facilities, manufacturing continued to increase so rapidly on the Atlantic seaboard and so slowly, relatively, in the Valley.

Then the Government took over the railroads, and before long began to discover that the cause of congestion at Atlantic ports was due largely to the system the railroads had developed of drawing Mississippi Valley commerce away from its natural drift.

The Railroad Administration's investigation made clear the fact that as a war measure the partly neglected ports of the Gulf

could be used to great advantage in the handling of overseas freight to and from the Valley, and that in the development of the peace-time commerce and industry of the Valley, particularly through the Panama Canal, and with the markets of greatest promise

and opportunity, the use of the Gulf ports becomes imperative.

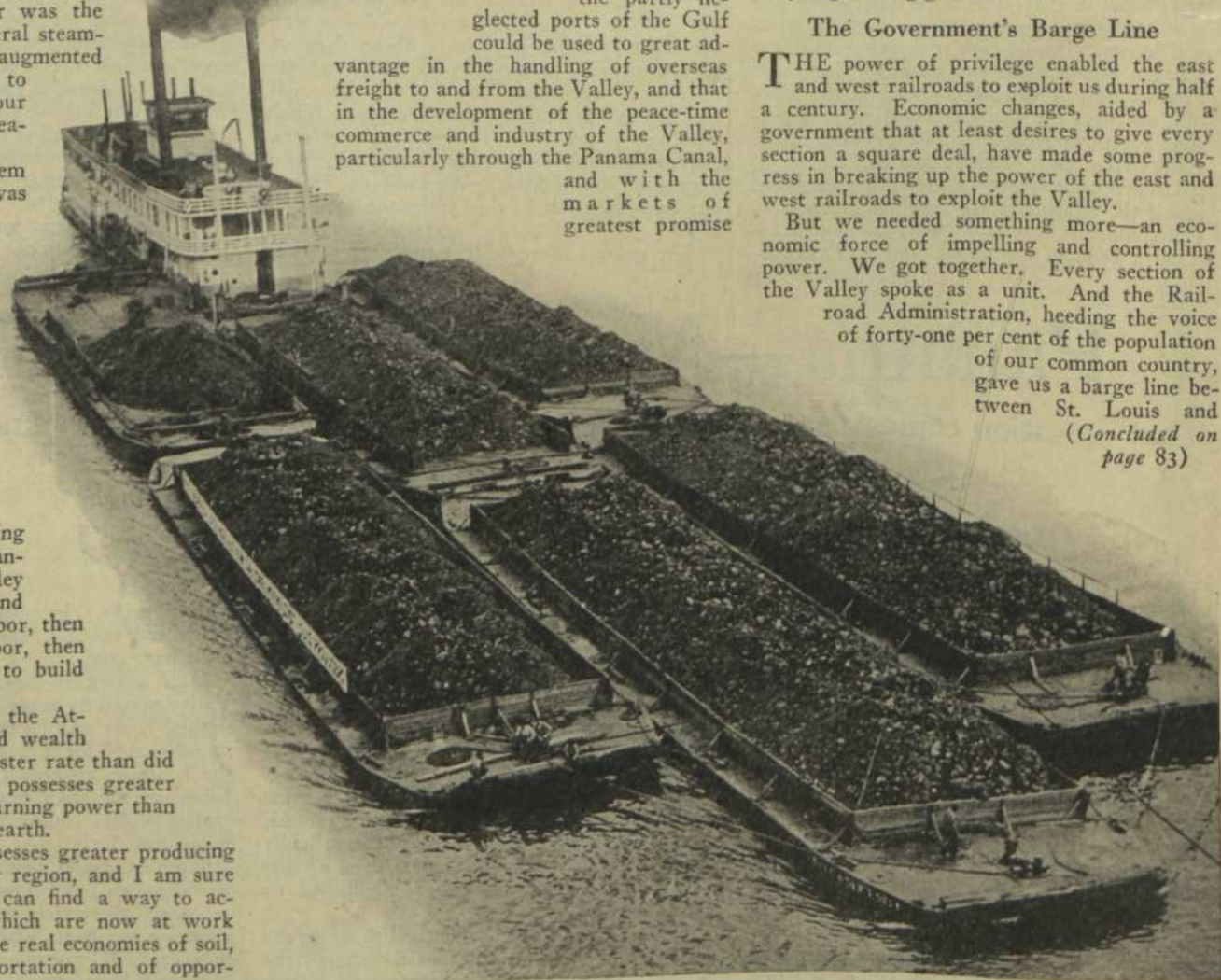
In other words, the welfare of the Mississippi Valley, in the competitive commercial and industrial struggle ahead, depends upon the opening, development and use of channels of trade of lower natural resistance than the artificial channels east and west. This means that advantage must be taken of the easy grade railroads connecting the Valley with the Gulf ports and of the natural waterways which, fan-like, reach through the Valley and connect it with shipside at the Gulf and that the two systems must be co-ordinated so that joint river and rail service may be made to give the entire Valley economic transportation. In this way, the people of the Valley may capitalize the economies of transportation nature has given them, thus placing themselves in position to carry on their enterprises with the greatest degree of basic efficiency.

The Government itself is showing great willingness to be of service to the Valley in this regard. It is making rate changes. It is also erecting general commodity warehouses and other facilities. New Orleans is investing huge sums of money in publicly owned warehouses, grain elevators, receiving and discharging sheds, water frontage for private use and other facilities for the accommodation of Valley commerce, and has injected into its system every practical economy engineering genius could devise.

### The Government's Barge Line

THE power of privilege enabled the east and west railroads to exploit us during half a century. Economic changes, aided by a government that at least desires to give every section a square deal, have made some progress in breaking up the power of the east and west railroads to exploit the Valley.

But we needed something more—an economic force of impelling and controlling power. We got together. Every section of the Valley spoke as a unit. And the Railroad Administration, heeding the voice of forty-one per cent of the population of our common country, gave us a barge line between St. Louis and  
(Concluded on page 83)



Huck Finn and his fellow seadogs planning dark stratagems on the piratical deck of a log raft drifting lazily down the Mississippi at night—that is the picture which many of us have when we think of our greatest river. Huck Finn's romance is being surpassed by another—the old river is becoming an inland, two-banked sea coast. Coal barges, provided by the Railroad Administration, are the nucleus of her new merchant fleet. These squat barges now challenge—but read the article. You'll want to move to New Orleans.





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# Little Stories of the Nation's Business

High lights in the swiftly moving drama of American Business finding itself after the shock of peace

**P**PROMOTERS who have been flooding the country with worthless stocks, taking Liberty Bonds in payment, soon will find themselves under the scrutiny of the Federal Trade Commission. It is believed that the commission will be able to put a stop to the operations of many of the gentlemen who in milking the small investor have been clever enough to escape the penalties of the law.

Federal courts have held that stocks and securities are articles of commerce. The commission will proceed against promoters against whom complaint is made under the provisions of the Federal Trade Commission Act having to do with unfair methods of commerce. Members of the Trade Commission believe the very fact that the commission is making known its intention to proceed against promoters of questionable securities will have a wholesome effect.

**A**USTRALIA is experiencing a great activity in trade since the signing of the armistice. The spending power of the Australian population, according to statistics, is higher than that of any other people of the world. European manufacturers already are seeking sales in Australia, and Japan, which built up a large trade with the country during the war, is breaking new ground.

American houses never have seemed to appreciate the volume of business to be had in Australia, although they have been in better position in many respects to go after this trade than have European concerns.

**A**TAXPAYERS' PARTY is the prediction of Senator Kenyon, of Iowa, if Congress does not provide a better system of appropriation of public funds.

"The last election," the Senator says, "went against the Democratic Party because of the feeling in this country against the wasteful and indefensible extravagance of Congress. If the Republicans come into power and keep on with this kind of appropriation it will be driven out of power also. Pretty soon we will find that there will be a taxpayers' party in this country as well as the two tax eaters' parties."

**E**NGINEERING FEATS accomplished under the pressure of war will be taken advantage of to a considerable extent in the days of peace. When it became necessary last year to put every available ton of American shipping into trans-Atlantic service Shipping Board engineers devised a method of

**T**HE editor of this page remains constantly at the center of the cross currents of new business thought in Washington. He is a "snapper up of those unconsidered trifles" which in such breathlessly critical days may contain the fate of a national industry. He keeps you at the statistical center of things. His little sermons are texts minus the preachment. He leaves you to do the philosophizing, to suggest the remedy or—if the case demands it—to offer the concluding prayer.

cutting in half Great Lakes vessels, passing them through the Welland Canal and riveting them together again in drydock.

Experience developed an improved manner of cutting the ships and many were put through the locks and fastened together again without going into drydock. Engineers now say that a vessel of 10,000 tons capacity can be taken from the Lakes to the sea and they predict that many of the large ocean going ships of the future will be constructed in Great Lakes yards.

**A**ERICAN EXPORTERS are greatly interested in the announcement from Paris that the French Government has agreed to permit the importation of some \$40,000,000 worth of machine tools and agricultural implements if commercial credits for one year can be arranged. The cotton industry has learned that the French soon will be in the market for large quantities of raw cotton.

This news is encouraging in view of the fact that the demand for American goods from Europe has not quickened as many business leaders thought it would.

**S**UBSTITUTES as a word still brings to men's minds the thought of something inferior. But substitutes did their bit during the war and many of them performed such good service that industries have adopted them as superior to the originals. Perhaps it will never be possible to convince the feminine population that anything else approaches platinum in the manufacture of jewelry, but makers of sulphuric acid, thanks to intensive research work, have found a composition that takes its place so well they will use in future no more of the high priced metal in the manufacture of their production.

Platinum, in the words of the scientist, forms in the manufacture of sulphuric acid the function of a catalyst. The new composition not only is far cheaper, but it has many other advantages. The new substance, it has been found, is equally useful in the production of other chemicals.

**C**ONNECTICUT factories produced, according to government statistics, about fifty-five per cent of the war materials turned out in the United States. Consequently cessation of war production brought on a more serious situation as respects employment in Connecticut than in any other commonwealth. Manufacturers in Connecticut have had to let go some 50,000 men since the armistice was

signed. Many of these have gone to other kinds of establishments and others are being placed by the Department of Labor in other states.

**C**OPPER is a metal used very largely in the manufacture of war munitions. Production was speeded up to the utmost

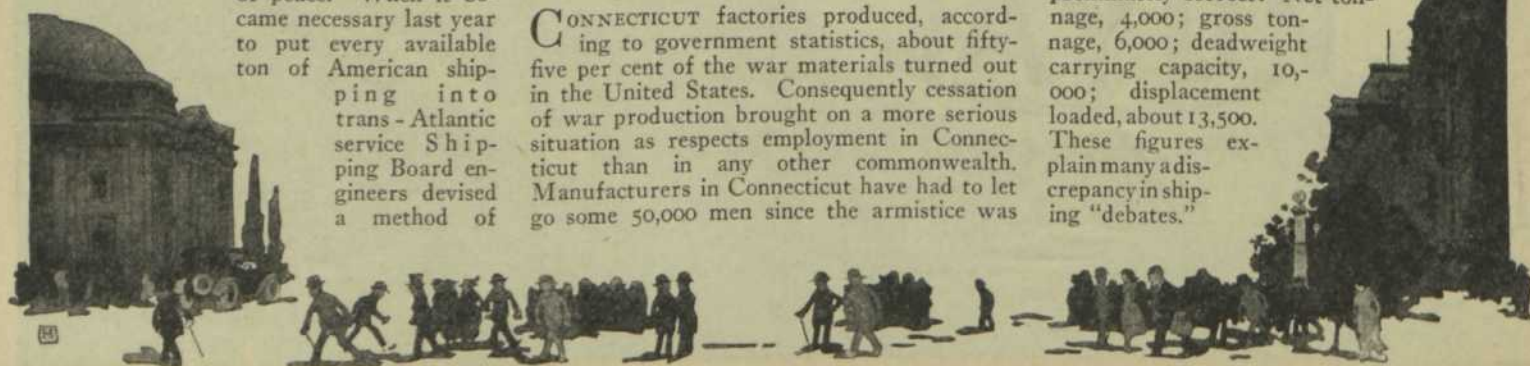
during the war and now producers are finding that they have on hand large quantities for which there is little market. Already prices have been put down, but the demand still is far less than the supply. There is said to be on hand around a billion pounds of raw copper and some twenty per cent of the copper miners employed during the war are out of work.

**I**MMIGRATION STATISTICS prepared by the Department of Labor show how nearly the tide of arrivals on American shores has ceased to flow. In the year 1918 only 110,618 immigrants arrived as against more than a million annually in the years before the war. Mexico with 17,602 supplied the largest number of immigrants last year. England was second with 12,980 and Japan third with 10,168. Italy, formerly the country from which the United States drew much of its rough labor, sent to us only slightly more than 6,000 immigrants last year.

With the signing of the armistice many Europeans have started returning to their homes abroad, many of them, it is believed, never to come back.

**M**UCH CONFUSION arises in discussion of merchant fleets because of the different kinds of tonnage in use. Americans in speaking of tonnage mean deadweight tonnage, which expresses the number of tons that a vessel can transport of cargo, stores and bunker fuel. The British speak in terms of net tonnage, which is a vessel's gross tonnage minus deductions for crew, machinery, by the engine room and fuel. Gross tonnage applies to vessels and not to cargo. A gross vessel ton is 100 cubic feet and gross tonnage is figured by dividing by 100 the contents in cubic feet of the vessel's closed-in spaces. Cargo tonnage is either weight or measurement. Displacement is the weight in tons of the vessel and its contents.

For a modern freighter the following relative tonnage figures ordinarily would be approximately correct: Net tonnage, 4,000; gross tonnage, 6,000; deadweight carrying capacity, 10,000; displacement loaded, about 13,500. These figures explain many a discrepancy in shipping "debates."





"To do much clear thinking a man must arrange for regular periods of solitude when he can concentrate and indulge his imagination without distraction. Working at night always appealed to me, because then most people are minding their own business by going to sleep."

Thomas A. Edison

The Ediphone is the invaluable companion of the busy man who does his best thinking and planning when *alone*. It enables him to obtain snatches of solitude when his mind works best and thoughts flow freely.

The Ediphone is the "tool for thinkers" who must record that idea or flash of inspiration while it is fresh and vivid. It frees the dictator from the handicaps of shorthand; it is always ready—a silent, impersonal, efficient private secretary.



THE GENUINE  
EDISON DICTATING MACHINE

## The Ediphone

BUILT BY EDISON FOR BETTER LETTERS

More than a million *Better Letters* a day are written for American business on this basis.

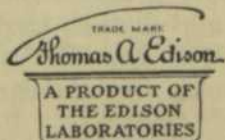
With odd moments of solitude business men are cleaning up their desks by dictating to The Ediphone. Or if they *must* think "after hours"—this electrical secretary is ready and waiting for 24-hour service.

*Ediphone service is national. Every one of the men who represent The Ediphone in all the principal cities of the United States is Edison trained and guarantees The Ediphone jointly with us. Look up "Ediphone" in your telephone directory, and arrange for a demonstration in your own office, on your own work.*

*In the meantime we have a book you ought to read—"Better Letters." Write for your copy—it's free.*

THOMAS A. EDISON, INC., ORANGE, N. J.

Say "*The Ediphone*"—when you mean the only dictating machine built and perfected by the originator, Thomas A. Edison.



The Edison Laboratories  
ORANGE, N. J.



# The Filing Cabinet Keeps Pace

*Business has outgrown the antiquated methods of generations gone by—and so has the filing cabinet. In fact, sometimes the filing cabinet shows business the way.*

THE industrial machine of two or three generations ago was not geared for speed. A small output sufficed and speed was both impossible and unnecessary.

Business transactions which then took days and weeks require only minutes and hours now. The flow of papers through the average business office was slow; the conditions were simple; competition was not close and exacting.



Most business men wrote their own letters—even the amanuensis was a rarity. Duplicate copies of letters were made with the “cider press” and copy book by an office boy who periodically forgot the oil cloth and reduced the book to pulp. When he did forget, it didn’t greatly matter, anyway. At the worst it meant an inconvenience. It seldom meant a money loss.

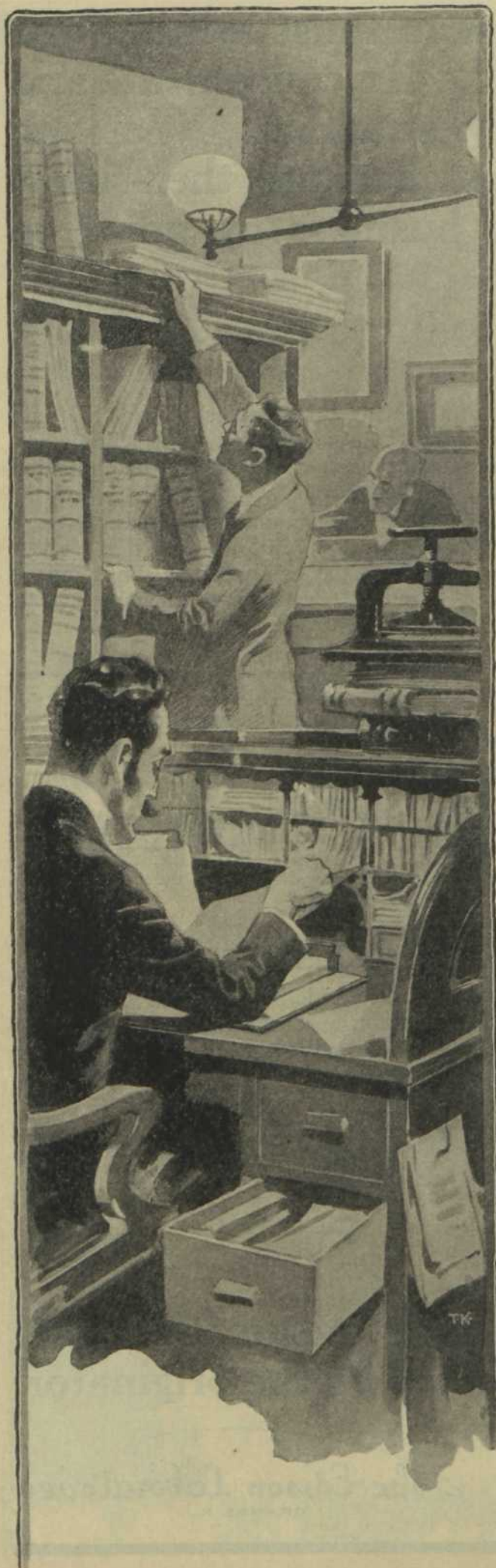
Wills, mortgages, deeds and the like, tied with real red tape, reposed in strong boxes locked with ponderous locks that any thief could pick. Papers less favored gathered dust on shelves and in closets, where the mice could use them for nests.



Correspondence was still limited and personal in tone, and the number of clients and customers was small. Generally a man’s memory sufficed, and only an emergency would disturb those files with their dead contents.

The few clerks required were employed to keep the books—for the card ledger system was still unthought of.

Then, little by little, came the change. And, most significant of what was coming, the box file appeared. That





fine old institution of our grandfathers has its uses yet. It was a pasteboard affair that opened like a book, and contained 26 manila sheets labeled with the letters of the alphabet.

The box file grew from a convenience to a necessity, as the inventions of speed machinery, the telegraph, the telephone, the engine, made quick industrial action more and more possible and necessary.

Then a few far-seeing men turned to the filing problem. Today the great catalogues of those pioneers and originators are the fruit of a long process of solving individual problems one after another, and working out all applications of each problem.

Their first problem was clear. It was to put thousands and thousands of papers away by a plan that would locate any one of them as infallibly and quickly as a man finds a word in the dictionary.



It was far from simple. Insurance companies wanted one thing; mercantile houses another, banks another; the railroads, too, were striving to bring order out of chaos. Stock records were needed; special systems for physicians and lawyers; plans for routing salesmen—all of it very complex. The police systems of many cities wanted a filing system for criminal identification based on the Bertillon and finger-print system. They wanted special files of records for lost or stolen articles, for records of arrests, for pictures.

The pioneers of the filing cabinet industry created in answer the thing as we have it today, flexible and still growing.

It was an absolutely necessary work. The speed of our national machine could be no greater than the movement of that single wheel.

It meant changing gears where the slope was steepest. It meant taking the big hill of this big industrial development on high. And the filing cabinet did it.

*Philip H. Yawman*  
President

Yawman & Erbe Manufacturing Company  
ROCHESTER, N. Y.

Steel Filing Cabinets	Shannon Filing Systems	Efficiency Desks
Wood Filing Cabinets	Record Safes	Transfers Cases
Vertical Filing Systems	"Safe Files" for Blueprints	Folders, Guides
Card Record Systems	Machine Accounting Equipment	Metal Index Tabs





# Selling the Soldier's Merits

How a Western city redeemed its pledge to find jobs for returned fighting men—and did it on a sound business basis

By ROBERT H. MANLEY

*Commissioner Omaha Chamber of Commerce*

THE young men of Omaha were marching away to the wars. Flags were fluttering in the sunlight; the blare of martial music was in the air. In the enthusiasm a pledge was made to the soldiers:

"When you come back," Omaha said to them, "we will have jobs for you. They will be just as good, or better than the jobs you left."

The war ended. Stern reality and peace had to be faced. Many of the flags that were flying had become somewhat tattered and rather dulled by coal smoke. There were no bands playing. With the cold facts of a jumpy business situation facing them, the Omaha men had to make good their promise. The story of how they did it should be a welcome hint to many another American city which faces a similar problem.

Putting soldiers into jobs and then stimulating the creation of jobs to fit the soldiers fell to the lot of the Omaha Chamber of Commerce. The task has been carried through successfully in the past twelve weeks.

After conferences, a common sense selling plan for the soldiers was hit upon. It was realized that it would be an injustice both to the soldier and to the employer to solicit jobs merely on the ground that the applicant was a man who had been in uniform and who should be "taken care of" in some way or other. That was charity, and charity, in spite of all the complimentary things that had been said about it, was not the sensible remedy for this situation. After the signing of the armistice, a card index of all available jobs in Omaha, hastily prepared, showed jobs enough to last soldiers for two weeks at their normal rate of return. It was therefore unnecessary to unearth jobs that were hidden below the surface.

## Diagnosing Contagious Timidity

THE Omaha Chamber estimated that one-half of the reluctance to add men to pay rolls was due to sound caution based on economic and business conditions. It was estimated, however, that the other fifty per cent of caution was merely a contagious timidity.

It was decided that the best way to multiply jobs was not to beg employers to add to salary expense for patriotic reasons but to sell the soldiers into jobs because their presence would add a new element of snap, speed and initiative to the force. The men who were sent out to find the jobs handled the services of the soldiers just as if they were selling bath soap or axe handles. They sold them on their merits. Their selling talk was something like this:

"There is every reason why these returned soldiers should make better workmen for you. They are young men who have been through scientific courses of mental and physical training devised by American experts. Dieting and exercise have brought them up to perfection. They will carry into your plant all

of the force and steam they used in going over the top after the Germans. They will also bring to you loyalty and discipline. You will have to talk fast if you want one of these men, they are going very rapidly."

Two of the most alert type of non-commissioned officers were selected as solicitors. They were given lists of employing firms and were told to urge these employers to inject life into their forces by adding one or two soldiers to it. The solicitors apparently so well visualized this type of returned soldier that they had from six to eight offers of employment for themselves every day. The bureau had to raise their pay several times to hold them. They justified these advances by digging up more jobs.

As one after another firm decided for its own good to take a few additional soldiers the contagion grew. Business men who were screwing down on their pay rolls because of over-timidity began to develop a more optimistic spirit. More jobs were phoned in. There were soon enough positions to care for the men as they returned. A careful newspaper campaign supplemented the work of the solicitors.

Nearly one-half of the men seeking jobs did not want their old jobs back. These boys were not discouraged in seeking new jobs but helped to make the change they sought. In the main this operated as mere "turn over"—one dissatisfied boy usually getting the old job of another boy who sought a change.

## Handling a Bad Case

INCIDENTS arose during the campaign which taxed the ingenuity of the men handling it. One of these had to do with two buddies who were veterans of Chateau Thierry and the Argonne. They came in to the office together. One of them was wearing citizen's clothes and an overseas cap. The other's costume was military from the waist down. They were both exceedingly hot under the collar.

"Say," demanded the tall one, with fire in his eye, "I thought you fellows

promised to get us our old jobs back when we got home from the war."

The man at the desk nodded.

"Well, we were both working down here at the Blank Cafe. I was cook and Bill was head dishwasher. We blew in there today to get our jobs back, and a couple of other guys had them and wouldn't turn them loose. What are you going to do about it?"

The man at the desk saw that it would do no good to argue, so he proceeded to get just as mad about the affair as the veterans were.

"A cafe that would treat two returned soldiers that way," he stormed, hammering his desk, "is unworthy of the United States and of Omaha. I wouldn't think of letting you two boys go back to such a place. I'm going to get right on the phone now and find better jobs for you in a better cafe."

He soon had positions for the two men at another place with a small increase in salary. Both boys left perfectly contented.

Women and civilians holding jobs were not disturbed during this campaign. It was a search for new places for capable men.

## It Appealed to Outsiders

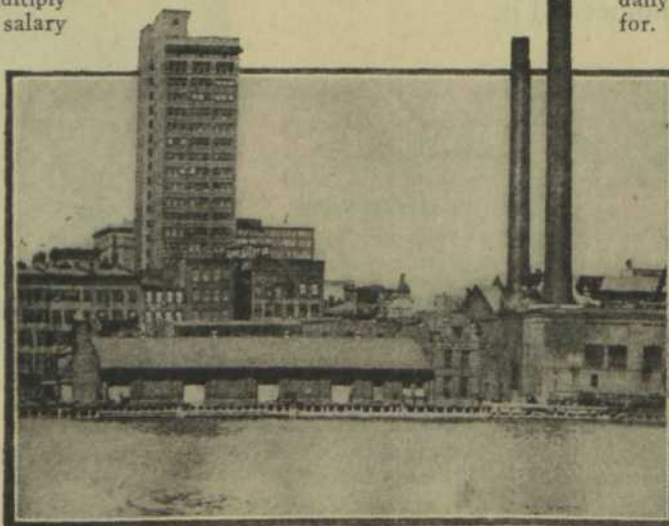
NEARLY twenty per cent of the soldiers who sought work lived outside of Omaha. The slogan "Omaha jobs for Omaha boys" was carried out so far as possible, but it was surprising how many out of town youths stated on examination that they had always yearned to live in Omaha and were on the point of moving there just prior to their enlistment. These resourceful spirits were found work after the strictly home product was cared for.

At the end of twelve weeks' operation the Omaha Chamber found that it had placed boys in new positions at a rate of more than 100 a week and at a cost of a little more than \$1 a soldier. On the first of March there were actually a few more jobs on hand than there were waiting Omaha soldiers. The bureau is maintained in the rooms of the Chamber of Commerce in order to put the soldiers in daily touch with the men they are to work for. The bureau will be continued so long as there is need for it.

## On Books

A reader who expresses appreciation of the White List of Books department sends in the following:

"The most valuable knowledge is knowledge that leads to all knowledge. You can't learn everything, so be wise and learn how to learn what you need to learn. All knowledge is in print, or will be to-morrow. To know how to find in books and journals just the information you need—that is to hold the eel of wisdom by the tail."





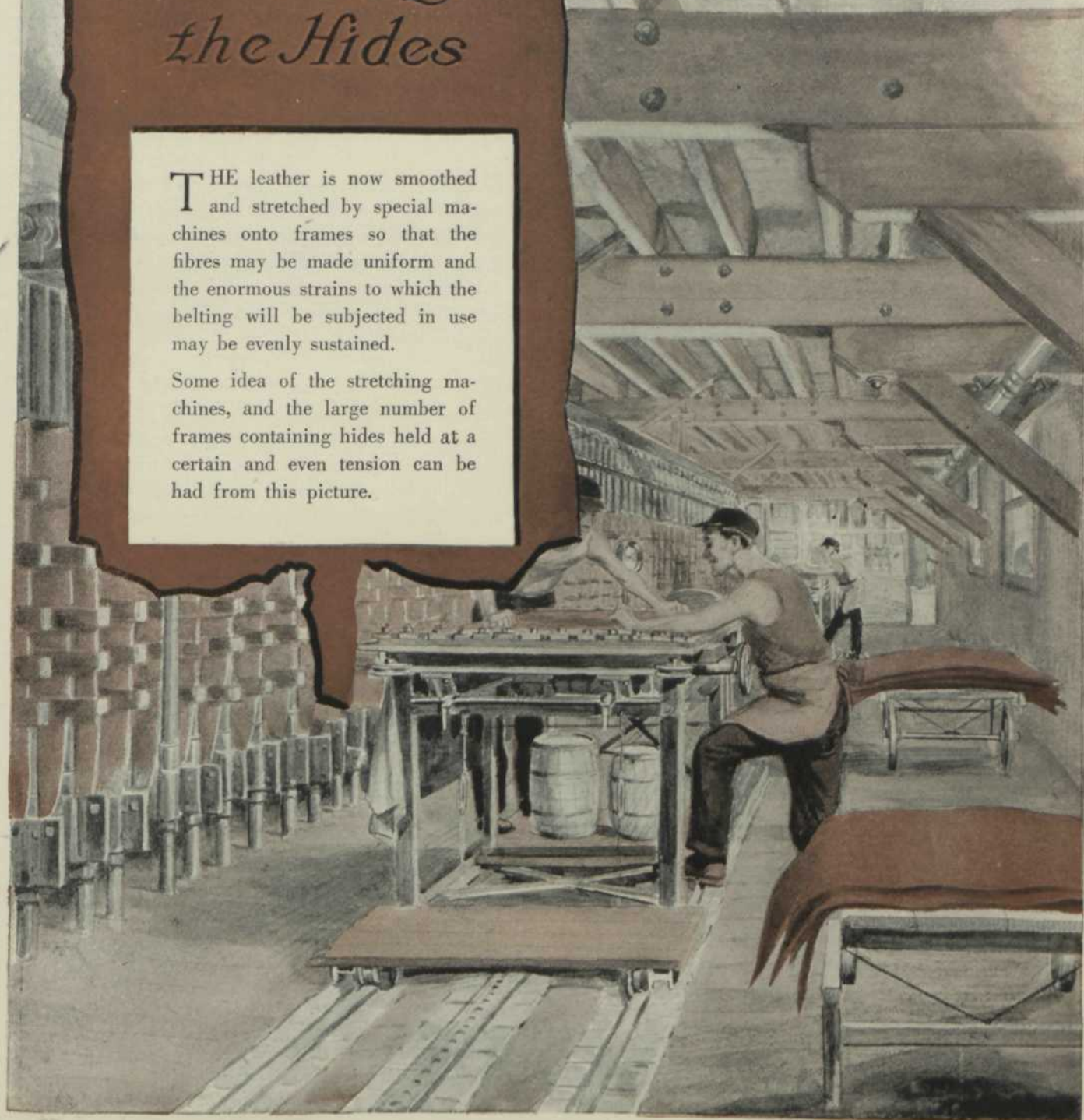
# SCHIEREN BELTINGS

A Story in  
Twelve Parts  
Part 9.

## *Stretching the Hides*

THE leather is now smoothed and stretched by special machines onto frames so that the fibres may be made uniform and the enormous strains to which the belting will be subjected in use may be evenly sustained.

Some idea of the stretching machines, and the large number of frames containing hides held at a certain and even tension can be had from this picture.





# SCHIEREN

Most belt users today buy belting on a service basis. This is as it should be, for it is at once obvious to those who know the difference between a First Quality Grade and a Second Quality Grade that the latter cannot do the work possible with the former.

First Grade and Second Grade mean simply First "Cut" and Second "Cut" out of the hides, the former being nearest to and including the center, which is the toughest and strongest part of the hide, and the latter being farther away from, and less solid than, the center cuts.

## First Quality Grades

All brands of Schieren belting are made of genuine oak-bark-tanned leather. This is the slow, natural process of changing hide to leather and, for belting purposes, it excels any other method.

First quality beltings are cut from choice center stock and differ in weight and thickness of leather only.

**BULL'S HEAD** is made heavy in all sizes. Singles weigh from 16 to 18 ounces per square foot, doubles from 29 to 33 ounces per square foot, varying according to width. **BULL'S HEAD** has been a popular main-drive belt for many years and is preferred by some for other drives where overloads are frequent and long-sustained.

**ROYAL EXTRA** is our medium weight No. 1 grade belting. Singles weigh from 14 to 16 ounces per square foot, and doubles from 26 to 29 ounces per square foot, varying according to width. **ROYAL EXTRA** is one of our most popular brands and wherever used it adds to the Schieren reputation for quality beltings.

**EAGLE BRAND** is a light-weight belting furnished principally in doubles. Singles weigh from 12 to 14 ounces per square foot and doubles from 22 to 26 ounces per square foot, varying according to width. **EAGLE BRAND** has been known for years as one of the most popular brands of belting for saw-mill, planing mill, all motor and other high-speed work.



## DUXBAK Waterproof Leather Belting

might aptly be termed "The First Belting In the World," as it is used in practically every country, which means every kind of climate—from the extremely cold to the extremely hot.

DUXBAK is a first quality genuine oak-bark-tanned leather belting, cut from selected center stock, which makes it particularly adapted for hard service.

In addition, DUXBAK is specially processed to resist the effects of water, steam, machinery oils and acid fumes. This gives it a wide range of usefulness and assures un-

interrupted service under conditions which would quickly damage, or completely ruin, ordinary belting.

The leather used in DUXBAK is selected especially for its pliability and tensile strength to assure maximum load carrying capacity with a minimum loss of power through slippage.

DUXBAK is made in all plies and sizes. It is stocked at all of our branches, and also by jobbers and dealers so located that belt users in any section of the country can be supplied quickly.





# BELTINGS

For certain kinds of service, Second Quality Grades will give good results for the investment, but for day-in- and day-out service, under what constitute hard local conditions, only First Quality Grades should be considered. Preserve this advertisement for future reference. The details of the various brands show what you should depend upon when ordering belting for any purpose.

## Second Quality Grades

CASCO and ROCK OAK are our No. 2 grades of belting—both cut from the best side stock of oak-bark-tanned leather. They differ in weight and thickness only and give very good results for the investment where the service is not severe.

CASCO is a good medium grade of belting which weighs from 16 to 18 ounces per square foot in singles and from 29 to 33 ounces per square foot in doubles, varying according to width. The leather is genuine oak-bark-tanned and the workmanship excellent throughout.

ROCK OAK is of the same grade of side stock as used in the CASCO brand, but of lighter weight. Singles weigh from 13 to 16 ounces per square foot and doubles from 26 to 29 ounces per square foot, varying according to width.

DIXIE is a light-weight brand, furnished principally in doubles. It is cut from selected shoulder stock of genuine oak-bark-tanned leather, carefully made, and gives good results on many kinds of work.

The coupon opposite is arranged for your convenience in writing us for information. Prices quoted upon receipt of details of requirements.

*Chas. A. Schieren Company*  
ESTABLISHED 1885  
TANNERS  
BELT MANUFACTURERS

Main Office and Factory:  
**75 Ferry St., New York, U. S. A.**

Oak Leather Tanneries, Bristol, Tenn.  
Branches and Stockrooms in all large cities.  
Agents all over the World.

To assure your selecting the proper belt for the intended service, our Engineering Department will gladly check over your specifications and, where considered advisable, will make recommendations. Fifty years in the business make this help worth while—it is yours for the asking, no obligation whatever.



Booklet "M," just published, is descriptive of the leather belting business. Each of the steps in the various processes of tanning and manufacturing is so concisely described and clearly illustrated that the reader's interest is held steadily throughout. Sent free to those in authority who are interested.

[60]

Chas. A. Schieren Company, S. P. Dept., 75 Ferry Street, New York, N. Y., U. S. A.  
Please send to the undersigned, location of nearest stock from which we may fill our needs. Also send copy of your newest booklet "M."  
Company.....  
Individual.....  
Address.....  
Title.....  
Write plainly to avoid errors.





## Convenience, as well as efficiency, in buying leather belting

"Remember, Mr. Smith, the many different brands of belting we tried several years ago in order to find out which gave us best all-around service?"

"We've stuck to Schieren's Leather Beltings ever since, and the quality keeps up."

"Now, I've just noticed by going carefully

over this map that the Schieren Company has a branch house, or an agent with a stock, in every one of the thirty places where we operate plants."

"Why shouldn't we get in touch with the local P. A. at each plant, advise him of our long and satisfactory experience with SCHIEREN BELTINGS, and tell him there is a local stock of them in his town?"

"Go to it, John. Even though we are not buying for all of our plants, it's policy to give them the benefit of our buying experience."

**Coupon  
on reverse  
side of this page  
is arranged for your  
convenience in writing  
for information, etc.**



**Chas. A. Schieren Company**  
ESTABLISHED 1888

Tanners  
Belt Manufacturers  
Main Office and Factory:  
75 Ferry Street, New York, U. S. A.  
Oak Leather Tanneries, Bristol, Tenn.



# Business Moves Forward Warily, Taking Nothing for Granted and Keeping a Firm Grip on Itself

By ARCHER WALL DOUGLAS

**O**UTWARDLY there have been few changes in general conditions during the past thirty days. Business, in somewhat reduced volume, goes on much as before. Buying for immediate needs is still the only way. So that purchases of futures are running lighter than last year.

Manufacturing and wholesale trade in nearly all lines are on a healthy, natural basis, and no unusual inducements are being offered in order to get business.

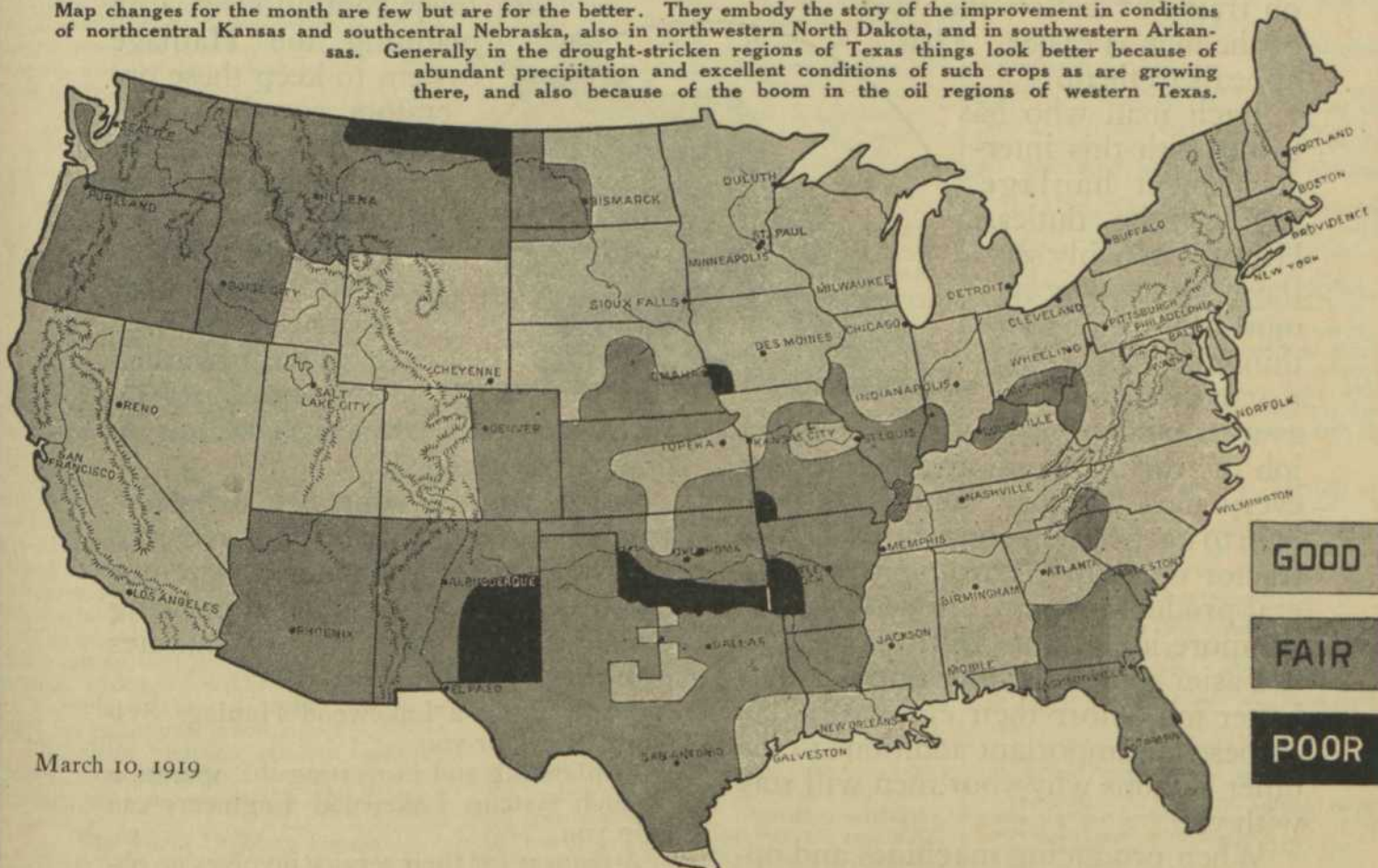
Here and there the retail trade, especially in the large cities, have reverted to the old fashion of bargain sales and

tive nature of buying which has been in vogue since the Armistice was signed. Practically none of the cuts in prices are as deep as a well nor as wide as a church door, and consequently do not disturb the situation.

There are some interesting sidelights on the varying results of present prices. Because of the continued high figures of shoes, there is unprecedented cobbling and repairing and consequent large sales of shoe findings.

In the Cotton Belt there is a widespread and persistent effort, participated in alike by all classes, to restrict the

Map changes for the month are few but are for the better. They embody the story of the improvement in conditions of northcentral Kansas and southcentral Nebraska, also in northwestern North Dakota, and in southwestern Arkansas. Generally in the drought-stricken regions of Texas things look better because of abundant precipitation and excellent conditions of such crops as are growing there, and also because of the boom in the oil regions of western Texas.



March 10, 1919

especially low prices in some leading lines. The attempted war distinctions between essentials and luxuries are entirely forgotten.

The much hoped for and much heralded general revival of building activity still hangs fire.

Official suggestion of stabilizing prices by a drastic reduction in prices, so as to stimulate buying, does not meet general approval. As a matter of fact, where there has been a radical decline in prices buying is the least active, since the general expectation in such cases is for still lower prices. Deep cuts seem so far to have produced caution rather than inspired confidence. The general thought is that declines had best come in a natural way as the logical result of changed and changing conditions rather than by arbitrary action.

Public opinion no longer favors either Government regulation or Government control in business affairs. Declines in prices are almost a daily matter of course in most lines, but they do not excite consternation nor check the conserva-

acreage of cotton this spring by thirty-three and a third per cent reduction from last year, in the hope of thus advancing the price of cotton to at least thirty-five cents. Similar efforts have not been wanting in the past, but generally failed of their purpose because of that phase of human nature which preferred to have the other fellow do the restricting. It looks now, however, as though the present effort will result, to some extent, in a reduced acreage. But that is not the whole story. The great yields of cotton of the past have been due not so much to large acreage as to large production per acre.

The real concern of the business world is in the great social unrest which the war has brought forth, just as every other great war has done. In Russia and much of Central Europe the story is akin to that of a century and a quarter ago when the French Revolution set all Europe aflame with the fear of unbridled savagery and anarchy. The only result then after twenty-five years of ceaseless warfare, was that ghastly





# What a Power Haulage System Will Do For You

**T**O many it may not seem logical to say that a Lakewood Haulage System will reduce labor turn-over—yet the fact remains that it will.

When material is moved by tractors on trains of trailers the work of the men is easier. That appeals to them.

Each man who has to do with this inter-department haulage has definite duties. He will probably see the reason why he must do certain things, thus learning to work with his head as well as with his hands. The better job of tractor operator is before him every day—another factor that will help to keep him in your employ. And tractor operators, learning your general production plan, are good men to fill more important positions.

Easier work, definite duties and a better job before their eyes every day—these are important additions to the other reasons why your men will stay with you.

When producing machines and operators are idle, for even a few minutes

each day, production costs go up and factory output goes down.

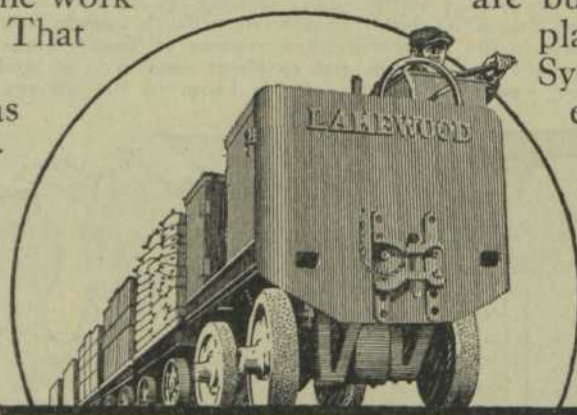
This loss is saved when your Power Haulage System is so planned that the operator and producing machinery are busy continuously. By planning the Haulage System to keep these operators supplied with work and to have the raw material go from trailer, through the producing machine, and onto another trailer not only are your manufacturing machines always busy but costly rehandling of material is avoided.

Keep your product on wheels—from the time raw material is received until the finished product is stored or shipped. Cut costs while increasing production by turning lost minutes into productive hours.

These things a Lakewood Haulage System will do for you.

In planning and instituting the operation of such systems Lakewood Engineers can help you.

A request for their service involves no obligation. Have you the Lakewood Bulletins?



THE LAKEWOOD ENGINEERING COMPANY  
CLEVELAND, U. S. A.

*Offices in New York, Boston, Philadelphia, Washington, Pittsburgh,  
Detroit, Chicago, Milwaukee, Salt Lake City, Los Angeles and Seattle*

# Lakewood Industrial Haulage

FLAT WHEEL. FLANGE WHEEL.

ALLIED

Export Department  
ALLIED CONSTRUCTION MACHINERY CORPORATION  
120 Broadway New York U.S.A.

ALLIED



## Business Moves Forward

farce, the Holy Alliance, with its futile solution. Then, as now, authority, which in the affected countries rested only on tradition, inheritance and custom, fell into sudden and general ruin, carrying with it the authority founded on merit and respect and deserving a better fate. It was called Jacobinism in those days; it is known as Bolshevism today.

First among the distressed peoples there must be restoration of law and order. After that the ages-old, world-wide problem, alike for all peoples, of the relations of employer and employee. What the employee really wants are a living wage, a square deal and some human consideration. Welfare work may accompany these requisites, but without them it is a broken reed to lean upon. Condescension and patronage have no place whatever in the problem, and charity rarely and only in cases of absolute necessity. For, after all, it is a strictly business proposition based on the relations of human beings in a democratic way, and which yet demands for its success and continuance both system and law and order.

## Mixing Economics and Sentiment

IT is already a truism, for instance, that the employee will in the future receive more of the results of his labor than in the past. Yet it is not so easy to work this out with fairness to both sides and retain that efficiency and economy in production on which the whole fabric rests.

Profit-sharing systems, as an example, have a large percentage of mortalities, chiefly because they substituted sentimentality for a knowledge of human nature, and used methods which broke down under stress and trial.

It is notable that never before have the employing class been so ready to meet the situation frankly, nor so willing as now to do the square thing in a democratic way, which is the only way in which things are going to be done in business or other phases of life for some years to come.

The general situation is disturbed by much labor unrest, and numerous, and sometimes serious, strikes in several sections.

There is more unemployment than a month ago, but its increase is fortunately slow.

The wage situation remains much the same, some reductions among the copper miners, and some advances in other trades.

## The Farm Problem Looms

THE serious problem of how to reach a permanent peace settlement in Europe is another disturbing factor, though on the surface its effect is not so apparent. There is no question as to what the great mass of the people think about it. They want an enduring peace, free from any touch of militarism, but with adequate security against any further war, certainly in this generation. They are most anxious to have the matter settled once for all. So that they may get down to business and devote their time to their own concerns and their own local affairs, and they will welcome any just and permanent settlement which brings these things to pass.

We shall, in the coming days, have enough domestic problems to absorb our thought and attention, and one of them is the peculiar economic position of the farming community. They are the only producers who have no voice in the prices of their products, since these are dictated solely by local, national, and

international competition, and by facilities, or the lack of them, for marketing their products. The price of the land on which the crops are raised and the cost of raising these crops have nothing whatever to do with the prices received for these products. It may not matter now, for the prices of agricultural products are high and remunerative, but the farmer knows full well that the end of high prices for food products is clearly in sight, and that an entirely different experience lies ahead of him and probably will be his portion for some time to come.

## What Price for Farm Products?

THE illusion, more or less prevalent, that the farmer's place in the scheme of things is largely that of a philanthropic cultivator to produce cheap food for the world needs rather drastic revision. There are a good many farmers' organizations over the country, and they are growing, and one of their cardinal principles is that the farmer, like other producers, is entitled to a reasonable profit on the things he produces. He is more or less the sport of nature, and that is something he cannot help very much. But he objects strenuously to being the sport, and sometimes the victim, of the law of supply and demand, which, being largely man-made, he believes should be regulated so as to at least give him a chance.

The producers of livestock, fruit and vegetables are constantly and of necessity shippers to distant markets. The prices of these products frequently change between the time the farmer ships and the time his shipment arrives at its destination. If the prices are very low on that particular day, as they are apt to be if the general supply is heavy, he not only receives no profit, but may incur a heavy loss, because he practically must sell and cannot carry his shipment until prices react. So he conceives of some plan of stabilizing prices which will protect him and insure him against loss and also bring him a reasonable profit.

It is a difficult problem and full of pitfalls, but we may be sure that the farmer is earnestly seeking its solution, so that the question of cheap food may come to depend more upon what it costs the farmer to raise it than altogether upon unending and universal competition and an inefficient and expensive system of distribution.

GROWING winter wheat maintains its generally high condition with scarce any damage from winter killing. Given a wet March and not too severe cold weather, the crop will go into April with a well-grounded promise of an unexampled yield.

Shipments of fruits and early vegetables continue very heavy, but the general forecast is that the supply of these vegetables will not be so large this season as last season because of reduced acreage.

Arizona and California are illustrating today the steady growth of one of those innumerable industries which add so much in their total to the wealth and prosperity of the country by cultivating successfully the Date Palm and its fruit, the date, while in Southeastern Missouri they have nearly completed the Little River Drainage District of 560,000 acres, the largest of its kind in the world. Where a score of years ago there was only the forbidding and malarial swamp, there are now cultivated fields of almost inexhaustible fertility, farm houses, macadam roads, and thriving small towns. In a decade they are living the former experience of a century from pioneer life to modern civilization.



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I RECEIVE letters asking how to get books mentioned here. The answer is: Send to any bookseller the information here given about any book here mentioned and he will supply it.

On this "White List" page I have again and again and quite frankly told business men that they don't know about the things in print that can help them. I have to say this; it is what I use this page for! To say it is not to assume that I know the business man's business. Quite the contrary. It is merely that the business of knowing about print is my business, and here it is my pleasant task to pass some of it on.

MEMORY-IMPROVEMENT schemes again flood the market. If you can find one that will enable you to hold in mind all the things about all aspects of your business that have passed under your eye for one year or ten years past, buy it; buy it quick,—and then make your office boy learn it. Make him your living index. Don't use it yourself, and don't turn yourself into an encyclopedia of your business. First, you can't; and next, if you could you'd be a terror to your friends and a burden to yourself.

No, if a thing is on paper—in writing or in print,—even if it is only a short note in fine type at the foot of page 742 in the appendix volume to volume 7 of Thorburn on Theoretical Chemistry, it can be so indexed, for your special needs, that it will jump to your hand just precisely when you need it. And, until you do want it, it will not be cluttering up your brain.

Our article this month is in part an attempt to interest you in the art of classifying print for your special use, the art of so fixing all the print you can find that is of use to you that you won't need to invest in a memory-improving device to enable you to find what you want in your "Library"—when you want it. To do this we add notes on Books about Books.

### Let George Do It

FIRST, it should be said that if you are a busy manager of things, then you cannot find time or energy to master any indexing or classifying scheme. But you do need to know that there are books on filing, indexing and classifying. Then you need to make sure that your office staff knows them, and has got all your office needs out of them.

### Here Are Two Practical Books on Filing

Hudders, E. R. *Indexing and Filing*. 1916. Ronald Press, N. Y. \$3. A standard manual; the most complete so far published on all kinds of filing. Gives detailed instructions.

Cope, E. A. *Filing Systems*. 1913. Isaac Pitman & Sons. \$1. One of the Pitman handbooks. A concise text book.

If you have a library as part of the equipment of your plant, and if it is so managed that you find it pays you to have it, then it

## Books About Books

By JOHN COTTON DANA

*Librarian, Free Public Library, Newark, New Jersey*

grows daily. As it grows, the books, pamphlets, clippings, letters and manuscript reports, summaries, extracts and notes need to be arranged in groups according to the subjects they deal with. So to arrange them is to classify them. To classify them wisely and thoroughly and so to name or label the classes that they are easily distinguished one from the other, and so that all classes closely related one to another come near together in file or pamphlet box or on the shelf,—this is to "master" them, to control them, to get out of them for daily use all that is in them for you.

Men of science discovered that this classifying of knowledge is a mastering of knowledge, years ago.

Classification problems, then, are very old; and attempts at their solution are just as old. Of all these problems one of the hardest to solve is that of printed things. It has not been solved yet. But the best attempt ever made is the one by Melvil Dewey. It is in book form, it is quite well up to date, it is well indexed, it is quite simple, it is fully explained in a preface, and it is used to-day in thousands of libraries large and small in this country and in many countries of Europe. It is *Decimal Classification and Relative Index*, 9th edition, published by Forest Press, Lake Placid Club, N. Y., \$6.

You may not need it. Your library may not be of the kind or size that calls for classification. You may be content with an arrangement that puts your books and other print in a few large groups, to which you give convenient names. But if you have a person to care for your library and that person does not know about "Dewey's Classification," you can be quite sure that he knows little about the proper arrangement of print, and that he does not deserve the name of Librarian.

### Here Are Books About Books

FIRST are those that tell what books exist; all the books on any subject; where they can be bought, and authors and prices. Most of them can be seen at any public library.

*United States Catalog*; books in print January 1, 1912. N. Y. Wilson. 1912. \$36. With a Supplement, 1912-1917. \$48. All books published in the U. S. available for purchase. All books on a subject together, and all books by a given author together. The 1912 catalog contains 2,837 pages, printed with three columns to a page, and lists publications of over 3,000 publishers. It is larger than Webster's Dictionary, unabridged,—and is only a list of books! The supplement is about the same size.

SIMILAR catalogs exist for England, France and other countries.

They are supplemented by annual catalogs; these again by monthly or weekly lists of the books of the last week or month. The American one is *Cumulative Book Index*; author, title and subject catalog of books in one alphabet. N. Y. Wilson. \$18 per year. This has monthly supplements.

*U. S. Copyright Office Catalog of Copyright Entries*. Washington. Government Printing Office. \$3 per year. Lists every book, pamphlet and periodical, etc., copyrighted in the U. S. Most complete record of current American publications.

*American Book Prices Current*; a record of books, manuscripts, and autographs sold at auction in New York, Boston and Philadelphia. N. Y. R. H. Dodd. 1895 to date. \$10 per volume. Tells about rare and valuable books.

*British Museum Library*. Catalog of printed books. 95 v. London. Clowes. 1881-1900. \$420 and 13 volume supplement, 1900-1905, \$55. This library contains over 4,000,000 printed books. It takes 108 large volumes to list them—the largest catalog ever printed.

*British Museum Subject Index* of modern works added to the Library, 1881-1900. London. 1902-3. 3 v. \$25. With 5 yearly supplements. 1901-1915. London. 1906-18. 3 v. \$35.75.

### Here Are Books That Describe Books

THESE briefly describe the best books on special subjects or on all subjects.

*Sonnenschein, W. S. Best Books*; a guide to the best available books (about 100,000) in every department of science, art and literature; with price, size and publisher's name. To be completed in three parts. N. Y. Putnam. 1910-1912. Pt. 1-2. \$3.50 each.

*A. L. A. Catalog*, 8,000 volumes for a popular library, with notes. 1904. Washington. Government Printing Office. \$1. Like Sonnenschein, but includes only the most important books. A Supplement is published by the A. L. A. Publishing Board, Chicago, which includes 3,000 books published from 1904-1911. \$1.50.

*Book Review Digest* 1905-date, with monthly supplement. N. Y. Wilson. \$10 per year. Prints reviews from many sources of all the more important books soon after they are published. Here you learn what the best judges say about the best books. A wonderful tool for book buyers.

*Kroeger, A. B. Guide to the Study and Use of Reference Books*. Revised by I. G. Mudge. 1917. A. L. A. Publishing Board, Chicago. \$2.50. Most useful.

### Books on Books on Business

*BUREAU OF RAILWAY ECONOMICS*. *Railway economics*; a catalog of books in fourteen American libraries. Chicago. University of Chicago Press. 1912. \$3.

*1,600 Business Books*. Comp. by Newark Library. 1917. N. Y. Wilson. \$1.50. Second edition lists about 2,100 books on all phases of business.

The Library of Congress issues lists on commercial and business subjects frequently, and sends them on request.

A good book on Books on Civics (there are others) is:

*Munro, W. B. Bibliography of Municipal Gov-*



# And Edison, watching it burn, *still smiled*

**FIRE** broke out at night, some years ago in the factories of Thomas A. Edison; and before the engines could prevent it certain great buildings costing hundreds of thousands of dollars were destroyed.

From his window Mr. Edison watched the flames.

He was an old man, even then, nearing his seventieth year; and his associates feared what the effect might be.

As they watched him they were amazed; for Edison looked out upon the ruins of his buildings and actually smiled.

He smiled. It was only buildings and machinery that had burned. His business was saved. For he knew that the business consisted not of buildings and machinery, but of his own genius, *and the men whom he had gathered about him.*

## ***A business grows when the men in it are growing***

Business is men; and men are what their training makes them. For ten years the Alexander Hamilton Institute has been *the* American institution that has proved its power to train men for the larger positions of executive responsibility.

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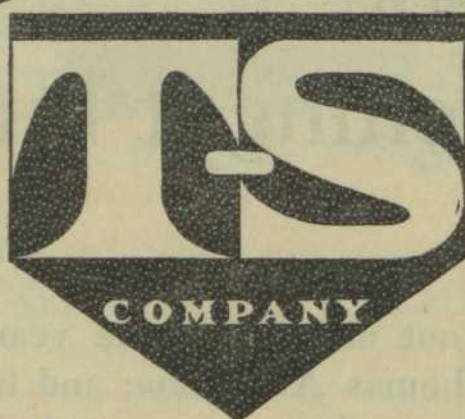


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ernment in the United States. Cambridge. Harvard Univ. Press. 1915. \$2.50.

A list of Portraits in books and journals is:

*A. L. A. Portrait Index.* Ed. by W. C. Lane. Washington. Library of Congress. 1906. \$3.

A wonderful book on Novels is:

*Baker, E. A. Guide to the Best Fiction in English.* N. Y. Macmillan. 1913. \$6.

### Books on Books of History

*ADAMS, C. K. Manual of Historical Literature.* 1889. N. Y. Harper. \$2.50. Old but very good.

*Channing, Hart and Turner. Guide to the Study and Reading of American History.* Boston. Ginn. 1912. \$3. The best books on all periods and aspects of American history. Supplement published each year.

*Writings on American History.* Annual lists of books and articles on United States and Canadian history published 1906-16, with notes on other parts of America. Comp. by Griffin. Yale University Press. About \$2 per year.

### Books About Reading

THE books we have mentioned thus far have not been books to read; but books that you may use as tools to find the particular book that best meets your need at the moment.

Here are books interesting in themselves that suggest ways of reading to get the most out of the books:

*Porter, N. Books and Reading.* 1885. Scribner. \$2.

*Lee, G. S. Lost Art of Reading.* 1902. N. Y. Putnam. \$1.50.

*Richardson, C. F. Choice of Books.* 1905. N. Y. Putnam. \$1.25.

*Hitchcock, F. H. Building of a Book.* 1906. N. Y. Grafton Press. \$2.

*Koopman, H. L. Booklover and His Books.* 1917. Boston. Boston Book Co. \$2.

*Macpherson, H. C. Books to Read and How to Read Them.* 1904. Edinburgh. Blackwood. 88c.

## For Sale: Britain's War Machinery

SURPLUS SUPPLIES in England have caused a little stir, not for the reason that the government was upsetting markets in its haste to dispose of its stocks, but because it has started to advertise for sale the large national factories which it had built and organized in order that there might be no dearth of ammunition for British armies. National shell factories were pretty well scattered over Great Britain and Ireland. In February, when five of these factories were offered for sale at one time, there were 282 machine tools in their equipment. But national factories and their machinery do not constitute the whole story of the sales that are being made in England; the government is already selling shipyards, ships, tractors and other things with an apparent determination to rid itself at the first moment possible of the industrial activities it had thrust upon it by war.

A central authority for control of all surplus government property has been created by England. It operates under the Minister of Munitions, who has an advisory council of business men to help him decide upon questions of general policy. Responsible to the Minister is the Disposal Board, composed of officials. Besides, there are seventeen divisions, each in charge of a controller and each dealing with classes of property like lumber or railway material. Every controller in turn has an advisory committee of persons experienced in selling the articles in his care.



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Milwaukee, 620 Caswell block  
Minneapolis, 428 Second avenue, South  
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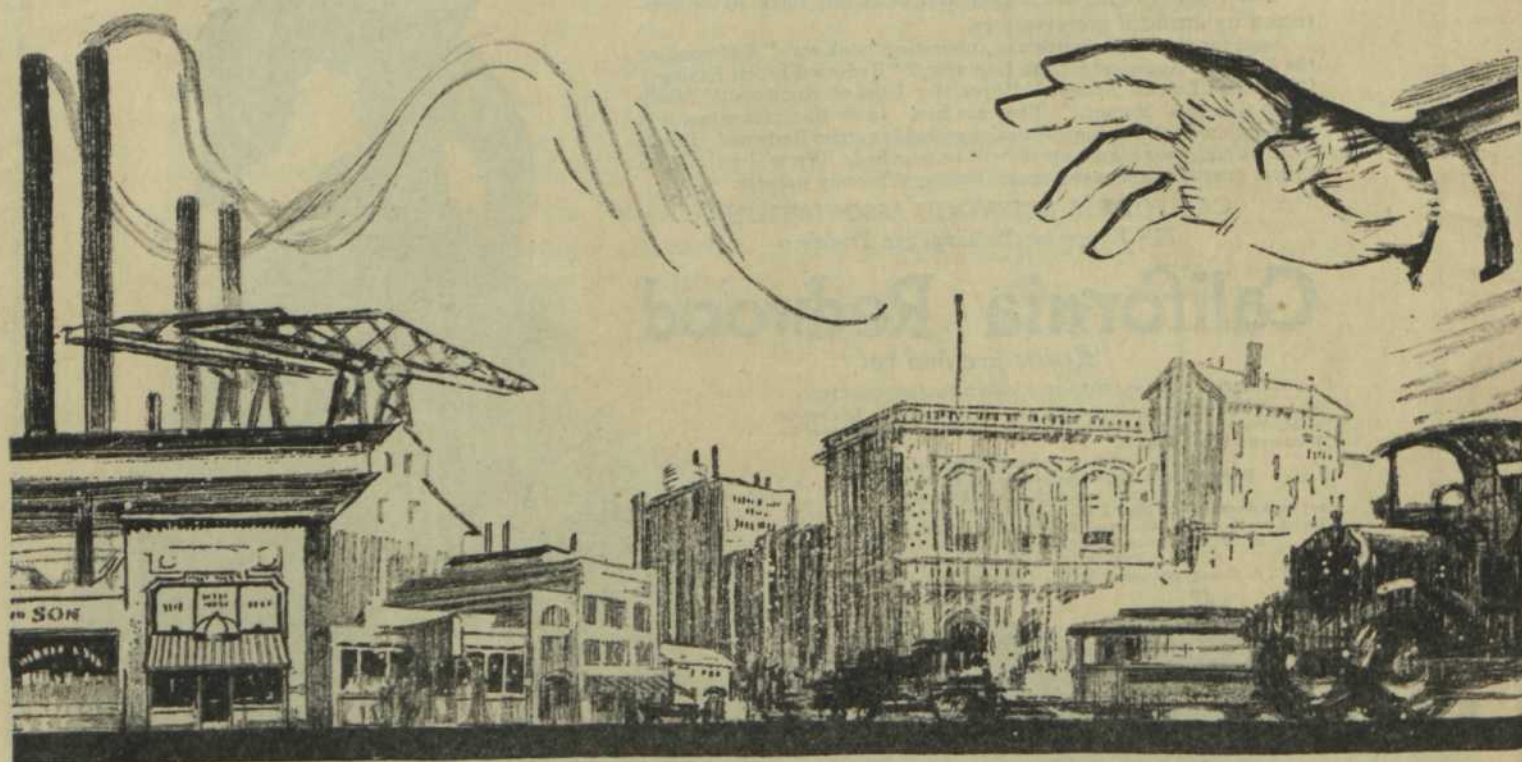
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### Government and the Farmer

(Continued from page 22)

especially unwholesome where tenants have no interest in the soil and where they work for a while on one place and then move to another. Community life cannot develop as it should under such circumstances. The first thing that ought to be done is to give the tenant such a lease as will give him the benefit of permanent contributions he makes to the property. Then such further financial measures should be adopted as will make it possible more quickly for the tenant to purchase the land he rents and works.

It is not enough that farming be made to pay. Country life must be made more attractive. There must be everywhere first rate rural schools. I do not blame the fathers and mothers in some country districts for thinking of the town and the city, if they have children to educate and their country schools are poor. No better investment can be made by the state or nation than one for a good school for every rural community with the instruction in that school related to the life about it, under a human being who is paid a living wage.

### Boys and Girls a Natural Resource

**T**EN years ago I spoke to 2,000 country school teachers. I was bold enough to say to them that I could not understand how any one of them could get her consent to continue to work under the conditions and for the wages which the school board was willing to pay them, and that I could not understand how any school board was willing to employ any one of them who was willing to work under such conditions. The boys and girls of this nation are the best natural resources we have. If those who are constantly talking about developing the natural resources of the nation will turn and develop the boys and girls, they will not need to worry much about the development of the material resources. You could not then stop them from developing the material resources. As a matter of fact, with due regard to conservation, much talk about undeveloped resources is a sort of reflection on a community, anyway.

Another thing we must have as a prerequisite to good schools, to economical distribution and helpful social relations, is a system of good roads. So much am I impressed with this—and I have the privilege of administering the Federal Aid Road Act—that, with the approval of the President, I suggested to the Congress a large increase in the appropriation for roads from the Federal treasury. I urged this action at this time partly because of the necessity of having good roads as quickly as possible, and partly because, in this period of transition, it seemed that such worthy public undertakings would furnish employment for temporarily idle labor. An item for this purpose of \$209,000,000 was carried in the Post Office Appropriation bill, which has become law. The bill makes available for road construction in the next three years under the terms of the Road Act, from Federal and state sources, about \$550,000,000. Large additional amounts will be expended by the states on projects of their own. Never before has there been such activity in road legislation and planning, due in no small measure to the stimulus of Federal aid.

Country life must be made more healthful. I know it is customary to say that the country is the home of health and the city the home of disease. That may have been true years





*for your car  
as well as your home  
— EDISON MAZDA!*

Better and more dependable light  
for your car if you buy your lamps  
where you see this girl in the window—  
"the Girl with the Edison Mazda Lamps"

# EDISON MAZDA




47D-25

EDISON LAMP WORKS OF GENERAL ELECTRIC COMPANY





## Ball-bearings made of paper

Not all ball-bearings are made of steel. Some of the very best that can be used are made of paper.

Good printers supply them. They are the simple, concise, well-thought-out printed forms which eliminate friction in office and workshop routine, and keep things moving smoothly, evenly, speedily.

And as the maker of steel bearings depends on one high-grade steel for his use, so wise business men find it pays to standardize their printing on one established, watermarked paper of proved and dependable quality.

Hammermill Bond is today the most widely used bond paper in the world, because business houses which have tried it have proved for themselves that it is uniform in quality and moderate in price.

Does your business need ball-bearings of paper—or more of them? Write to us for a Hammermill Portfolio of office forms. The forms in the one we send you, printed on Hammermill Bond, will apply particularly to your business. They will show you our three finishes—bond, ripple, and linen, and our twelve colors besides white.

Complete set of thirty portfolios sent free to printers.

HAMMERMILL PAPER COMPANY, Erie, Pa.



*Look for this watermark—it is our word of honor to the public*

# HAMMERMILL BOND

*"The Utility Business Paper"*



## Government and the Farmer

ago, but it is scarcely true today. I know many cities in malarial districts where the malarial mosquito has been nearly eliminated, where typhoid fever is practically controlled, where the health of the school child is inspected, where the women have the best advice as to how to care for the health of their children, where there are hospitals with the best medical skill, with free clinics and trained nurses. Most American cities have great medical and dental facilities and fairly satisfactory health protection. How is it in the country districts? Have not the benefits of modern medicine accrued somewhat too exclusively to the city?

I know it is going to be a difficult thing to improve rural health conditions, because the population is more sparse, but the difficulty of the task constitutes no reason for declining it. There are great stretches of the country where malaria can be eliminated, where the hookworm can be eradicated, and where tuberculosis can be further controlled.

I believe the health of the human being is more important than the health of the animal. I shall not rest satisfied until I see a Federal and state movement for the betterment of rural health and for the placing, in each rural community, of such hospital, medical, dental, and nursing facilities as are necessary to conserve human life.

## Uncle Sam—

### Holding Corporation

(Continued from page 31)

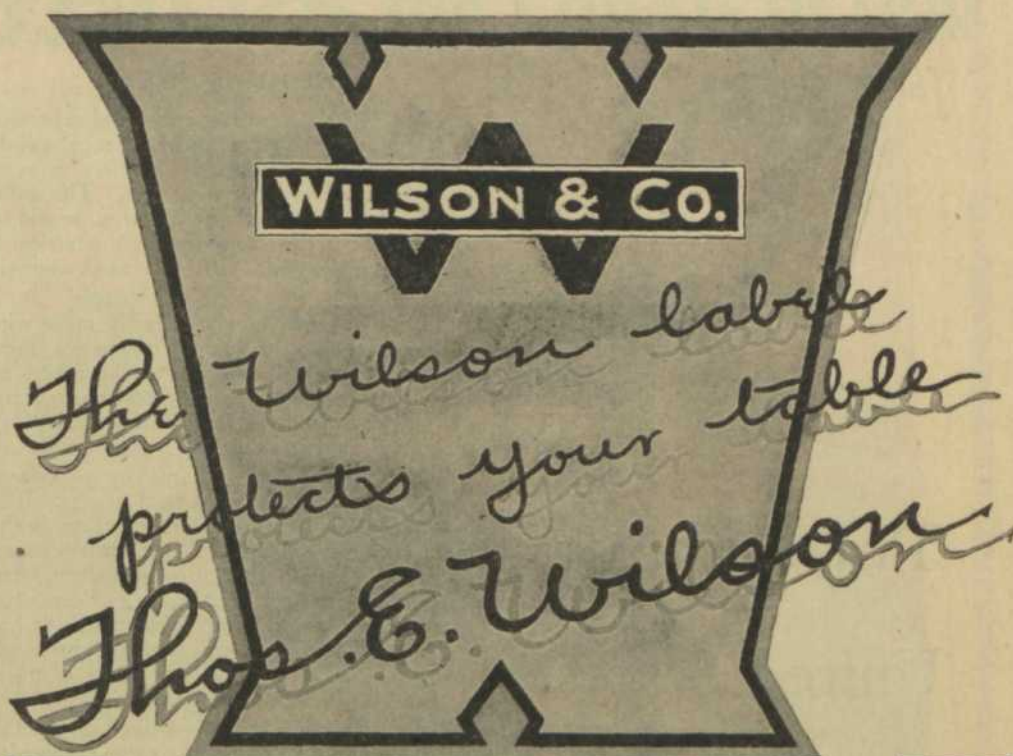
to stabilize the market. For this purpose the Corporation seems to use its surplus funds, which recently stood at \$235,000,000; it buys in the open market the issue from which sales are being made in the largest proportion to the amount outstanding. These purchases in bonds the Corporation then sells to the Treasury, which has acquired \$346,000,000 of Liberty bonds, and to the Alien Property Custodian, who uses them as investment for the large funds he holds. In making loans the Corporation has let public utilities have \$39,000,000 in all and railroad companies about \$70,000,000.

### Finance Corporation to Help

The Finance Corporation may now come to the assistance of the Railroad Administration, which failed to get from Congress before March 4 the \$750,000,000 it said it needed to carry its obligations. By transferring Liberty bonds to the Treasury, and selling to the Treasury \$150,000,000 more stock, the Corporation would seem able to put itself in possession of \$385,000,000 which it could lend, but because its direct loans are limited to 12½% of its capital plus its outstanding bonds, and it has as yet issued no bonds, it would seem to be able to grant the greater part of the relief only through banks.

Intervention in this fashion to assist the Railroad Administration will not interfere with a new opportunity for service conferred by Congress on March 3,—power to lend to ordinary manufacturers and dealers that are engaged in export trade, in order that they may give long-term credits to foreign purchasers. As the War Finance Corporation would obtain its funds primarily through sale of its own obligations, it may thus become in large measure the underwriter of our foreign

(Continued on page 72)



**T**HERE is a simple, straightforward pledge to you. It means that we stand back of your dealer every time you buy anything bearing the Wilson label. Our label embodies our good reputation with the public—which means that our products must have your friendship and your confidence.

The food products—meats, fruits, vegetables and table specialties—bearing the Wilson label are selected, handled and prepared with the respect they deserve.

♦ ♦ ♦ ♦

**W**E ARE just as careful, just as thoughtful, as your own mother would be. We want our products to convince you that you cannot find anything better—and we intend that the Wilson label shall always carry that message to you personally.

Today the **W**-shaped Wilson label is the mark which tells of public favor honestly deserved and thoroughly won. More than that, it is our constant promise to respect and hold your confidence.



Certified Ham and Bacon

Clearbrook Butter and Dairy Products

Certified Fruits, Vegetables, Meats and Table Specialties

If your dealer cannot supply you with Wilson Pure Food Products, write us giving his name and address and we will arrange to provide your requirements

**The Wilson Label Protects Your Table**





## Throughout the United States

**T**HE world war has expounded the wisdom of practical Thrift.

Thrift has always been a virtue; to-day it's a national habit.

Wherever Thrift is practiced you will find housewives who always "pay as they go", because Thrift is the natural sequence of cash trading.

Since 1896, the Sperry Service has been the means by which progressive dealers have rewarded continuous cash patronage. Its popularity has increased in direct proportion to the benefit it renders. The result is, today the *Z.N. Green Stamp Book* is known wherever Thrift is practiced — throughout the United States.

"A thing is never much talked about but there is some truth in it." For 22 years merchants have talked of the business building power of *Z.N. Green Stamps* and frugal folk have talked of their money saving power in the home.

**The Sperry & Hutchinson Co.**  
2 West 45th Street New York

## A Business Book by a Business Man

**A** GREAT French scientist has expressed his regret that scientific men should publish their findings only on an average of a book every seven years. The value of their research work, he declared, would be far greater if they would make a practice of announcing the results of their work at more frequent intervals.

The same remark might today be made with regard to the literary output of business men. Both business and science would profit by having available at frequent intervals accounts of the progress experienced business men are making in the course of their daily work.

There exists today too large a gap between the scientist and the industrial expert. The best means of bringing them together is the modern press. Obviously. But when it comes to literature, both the business man and the scientist are rather inarticulate. Fortunate, therefore, is the reading public when it has put into its hands a book packed with information gathered as the result of years of practical and successful experience.

Such a book is "Merchandising" by Archer Wall Douglas, an addition to the University Extension Series being published by the Macmillan Company. Mr. Douglas's book is the result of forty years' experience in the service of one of the largest distributing houses in the country and one of his reasons for writing the book is that economic pronouncements in this field may be supplemented by a knowledge of the results of actual practice.

The early chapters of the book are devoted to the technique of the profession of merchandising—the methods used by a great jobbing organization in buying, carrying stock, ordering, selling, handling credit, and collecting. The last three chapters speak in a more philosophic vein of the problems of distribution, advertising and handling the "human equation."

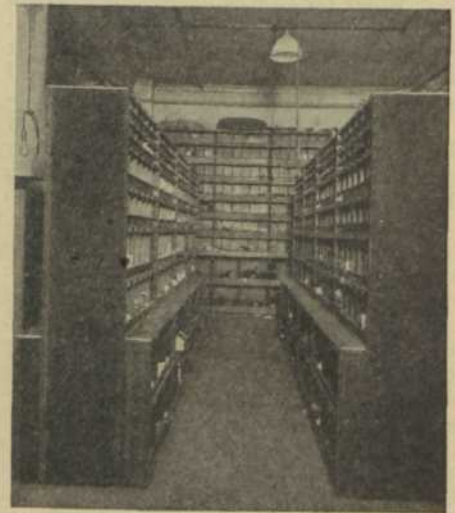
### What of the Middle-Man?

While the first chapters, describing technical methods, will be of unusual interest to all men engaged in merchandising activities, these last chapters cannot but be of very real interest to the general business reader. In them the author squarely faces the very great problem of whether or not the possible changes in our social structure threaten the existence of the middle-man.

Mr. Douglas maintains that, although individualism in the future may give way in a greater measure to collectivism, there is little warrant for believing that the professionalized merchandiser will be eliminated from our commercial structure. The spur of competition, the great territorial extent of our country, the known individualistic temper of our people are given by the author as reasons supporting this contention.

In his chapter on advertising, Mr. Douglas sets forth the startling fact that probably seventy-five per cent of the money spent in advertising is wasted since it fails to bring adequate results. The main reason for this state of affairs he says is that most of the people who write our ads have neither the needed education or the needed training to present a story in a few attractive words. In his own business, Mr. Douglas sells, among other things, edged-tools. He adds to the sprightliness of his account by suggesting that the merits of his razors might successfully have been set forth in these words: "These are the identical razors with which the Scribes and the Pharisees split hairs in ancient times."

# DURAND STEEL RACKS



**D**URAND Steel Racks, with adjustable shelves, bin fronts, dividers, etc., are capable of an infinite number of combinations for every purpose.

Any size or shape of compartment can be formed in a minute by change of spacing; all parts are accurate and smooth-fitting.

An entire bin can be removed easily when not needed, and stored away compactly or re-set up elsewhere.

*Write us of your particular needs regarding steel racks, or steel lockers. Catalogue of either on application.*

## DURAND STEEL LOCKER CO.

1511 Dearborn Bk. Bldg.  
Chicago

911 Vanderbilt Bldg.  
New York



# WELLS BROTHERS for Construction



Wells Brothers Construction Co. has built these four structures for Montgomery Ward & Co. in Chicago and Kansas City

Original Chicago Avenue building, 1909, 650 x 260 feet, 8 stories and basement, 1,300,000 square feet of floor, upper half built in 90 working days.

Kansas City building, 1913, size 430 x 250 feet, 8 stories and basement, 892,000 square feet, superstructure finished in 164 working days.

Addition to Chicago Avenue building, 1917, size 400 x 105 feet, 8 stories and basement, 420,000 square feet, foundations and superstructure finished in 166 working days.

Addition to Kansas City building, 1917, size 184 x 110 feet, 9 stories and basement, 200,000 square feet, foundation and superstructure finished in 165 working days.

## One Order That Grew to Four

*There is no better proof of owner satisfaction than repeat orders*

MONTGOMERY WARD & CO. have shown their confidence in Wells Brothers Construction Co. by employing them as builders of four warehouses in Chicago and Kansas City during the years 1909 to 1918.

In 1909 we completed our first contract on their Chicago Ave. building, in ninety days (one month under our estimate). Mr. W. C. Thorne, then General Manager, wrote us:

"The manner in which you handled this contract would cause us to give you the preference were we to undertake any extensive building operations in the future."

In 1913 this promise was made good. Mr. R. J. Thorne, then Vice-President, asked us to make estimate and undertake without competition the construction of their mammoth new Kansas City plant, for which only preliminary plans had been prepared. We completed this building ahead of time with a substantial saving to the owner below the estimated price.

Again in 1917 their increased business necessitated additions to their plants in Chicago and Kansas City. Our estimates of cost were satisfactory and we finished a \$750,000 building in Chicago and a \$375,000 building in Kansas City within the contract time at a saving to the owner of \$85,000. These four contracts are by no means unique in our experience of building on the basis of *Actual Cost* plus a fixed fee for our services.

## We Can Help in Solving Your Problem

We can build for you the same confidence in our ability and in our certainty to perform.

Fifty years' building experience makes our advisory assistance valuable not only in dollars and time but in the adaptability of the structure to its purpose.

Write for our booklet, "The Art of Building Within the Estimate."

**Wells Brothers Construction Co.**  
BUILDERS

914 Monadnock Building, Chicago



# Westinghouse

ELECTRIC MOTORS AND CONTROLLERS

## Power

Production, production, production  
—at any price!

This was the world-wide cry that for four long years rang in the ears of industry.

Then, of a sudden, came peace, and with it, new problems no less grave, no less perplexing than those of war.

Manufacturers pausing to take stock of themselves discovered that during the war they had entered a new era—an era marked by vital changes in fundamental relationships of employer and employee.

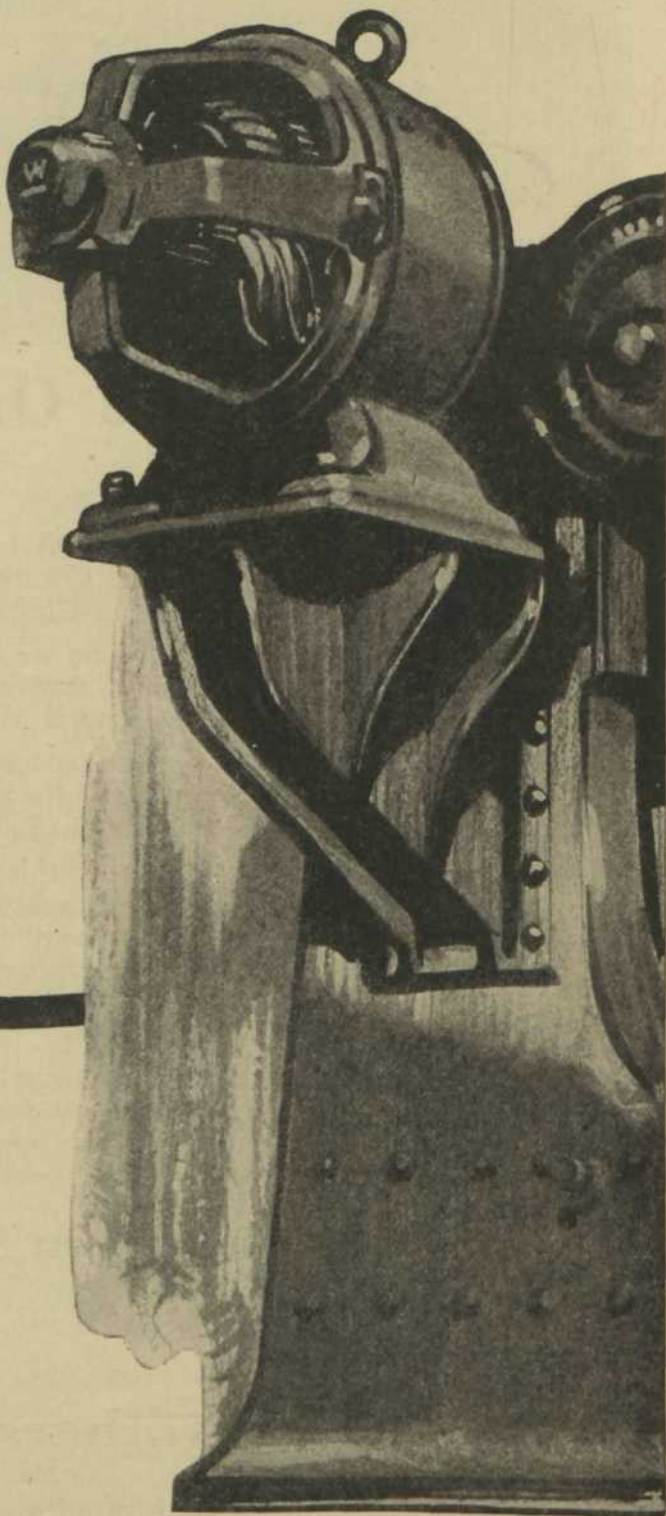
To measure up to the changed standards of this new era—to meet the increased requirements of the worker—while not so difficult under the abnormal conditions of wartime, has become, under the normal circumstances of peace, a task to test the mettle of the ablest.

If this task is to be done, increased production must continue to be the goal of peace-time industry, as it was the goal of war-time industry.

*This production now, however, must be achieved, not simply by adding more men and machines, but by enlarging the output of the individual worker—and*



Industrial electric motors and controllers, to be fully efficient, must be built and applied by experts with consideration of all the varying demands of the particular job or jobs they are to do. Westinghouse engineers with experience in applying motors and controllers in *your* industry will be glad to consult with you or your engineers with reference to your power problems.





# Westinghouse

ELECTRIC MOTORS AND CONTROLLERS

## —and the Man

*this not by lengthening his hours and piling on greater burdens but by making it possible for him to do more work in the same work-day.*

Enlarge his output without adding to your costs or his labor and at one stroke you simplify the problem of maintaining present wage-standards and keeping employees satisfied and loyal.

In such a situation, the question of power assumes great significance, for upon the character of motive power depends to a large extent the effectiveness of man power.

Increasing production without more men or machines is one of the outstanding accomplishments of properly applied electric power.

With electric power, machine-control is

reduced to its simplest terms and made remarkably quick, easy and certain.

Every machine can be made independent of every other machine.

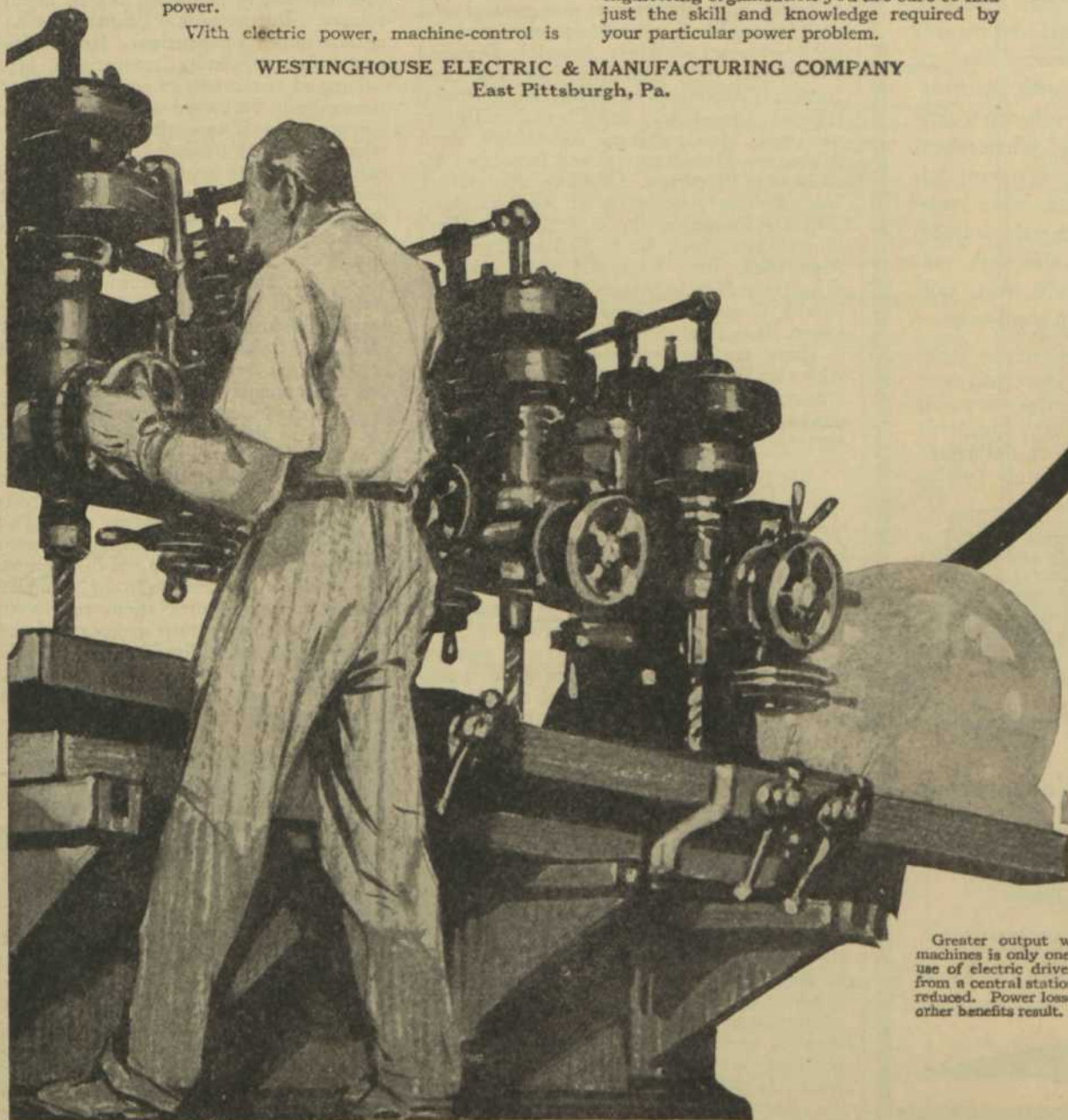
Just the right speed is obtainable to meet the changing condition of the task.

Great leeway is allowed in the arrangement of machines.

Better lighting and greater cleanliness follow the elimination of shafts and belts.

Westinghouse Electric Motors and Controllers represent years of experience in the designing of electric power apparatus for every industry, and in the vast Westinghouse engineering organization you are sure to find just the skill and knowledge required by your particular power problem.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY  
East Pittsburgh, Pa.



Greater output with the same men and machines is only one of many reasons for the use of electric drive. Power can be bought from a central station. Power consumption is reduced. Power losses are lowered, and many other benefits result.



**FREE****This 160 Page Book**

Describing

**Moore's  
Loose Leaf  
Systems**

With reproductions of forms for keeping accounts and records of all sorts for every kind of business, packed with information of the utmost value to manufacturers, jobbers, wholesalers, retailers, bankers, lawyers, advertising, sales and office managers, physicians, engineers, architects, accountants, solicitors, real estate and insurance men, railroad and steamship companies.

If you keep accounts or written records of any kind, you need this book. The information it contains may be worth hundreds or even thousands of dollars to you. Yet it is absolutely free to you for the asking.

It will show you scores of ways in which you can simplify and facilitate the handling of accounts and other business records—how you can save time—needless duplication—drudgery and brain fag—make your records instantly available—save 50% of the cost of keeping them.

Send for your copy—at once. No obligation incurred or even implied.

**John C. Moore Corporation**

Manufacturers of

Loose Leaf Record Books,  
Post and Clutch Binders  
and Bound Books

1047 STONE STREET  
ROCHESTER, N. Y.

**FREE****Uncle Sam—****Holding Corporation***(Continued from page 67)*

trade. How all this will work out is still to be seen.

**Yes, There Are Profits**

THE government's profits from at least one form of banking enterprise conducted by federal corporations are considerable. Its share in 1918 of the net earnings of the twelve Federal Reserve Banks was pretty nearly \$27,000,000; the reserve banks were such busy war institutions that in 1918 they earned 72.6% upon their paid-in capital. The government is not a stockholder in these banks, however, merely receiving one-half of the net profits after the banks which actually hold the stock have had dividends of 6 per cent, and a surplus has been built up.

Especially in connection with control of imports the government made use of a number of corporations and associations. In these instances, however, the ownership and direction were entirely private, and it was a case of co-operation by private agencies with the government in order to effect the government's purposes. A mere list will suggest the articles which, for one reason or another, assumed such importance that control was desirable. These private agencies used for public purposes included: American Diamond Committee, Inc.; American Iron and Steel Institute; Asbestos Trades Bureau; Chemical Alliance, Inc.; Emery and Corundum Importers and Manufacturers Association, Inc.; Mahogany Manufacturers and Importers Association; Plumbago, Graphite Association, Inc.; Rubber Association of America, Inc.; Tanners' Council of the U. S. A., Inc.; Textile Alliance, Inc.; U. S. Shellac Importers' Association, Inc.; Vegetable Ivory Association; Ivory Nut Importers' Association; War Service Committee Cocoa Bean Consumers; Cocoa Bean Importers' Association.

These are the associations which worked with the War Trade Board in dealing with imports as to which the War Trade Board on January 18 announced it had ceased its supervision.

**Our Railroad Corporation**

OF course, any story of corporations owned by the United States Government would be incomplete if it failed to refer to the Panama Railroad Company, a corporation created seventy years ago by the legislature of New York. The stock of \$7,000,000 was acquired by the government in connection with its construction of the Panama Canal. The company's railroad was a part of the route to the western states when gold was the chief attraction. It is now an important adjunct to the Canal, not only with its line of rails but also with its steamships, its great coaling plants for steamers, and its other facilities. It has even gone into farming and live-stock raising and is ready to offer you alligator pears, bread fruit, yampees, and other delicious-sounding things upon which stay-at-home Americans have not happened since they last closed Robinson Crusoe. It will show you its hog farm, its cattle ranches, its sausage factory, and its dairy with an ice cream plant as an appropriate auxiliary. Altogether, it shows a versatility that would do credit to any modern corporation that bestirs itself to make life pleasant for people who sojourn in the tropics.

Incidentally, the Panama Railroad Company stretches hands to the cooler regions of Alaska; in its shops in 1918 it overhauled railroad equipment for the Alaskan Engineering Commission, which is building on government account a real railroad in our northern territory and runs a coal mine or two as subsidiary enterprises. Between the Canal and the Alaskan railroad there is a certain affinity, in that both have slides to contend with. On the whole, the earth slides at Panama are preferable, being deliberate in their movements. In February, even hardened Alaskans recorded that operation of trains on the government's road was unusually dangerous, on account of the snow slides that hurtled down without warning.

When the government's war corporations go out of existence, it will still have a couple left to operate in the piping time of peace.

**A Referee for World Trade***(Continued from page 33)*

been discussed are not adequate. They have very clear limitations. They provide safeguards against certain unfair practices in countries where municipal law is highly developed. But suppose a country has no law against unfair competition? No provision is made for regulating competition between citizens of two countries competing in a third economically backward country, which has a more or less irresponsible government, and which cannot be depended upon to enact and enforce adequate regulations. Nor is there any provision for regulating discriminations in communication and transportation. Yet it is in these cases that danger of serious conflict lies.

For the immediate future at least competition will remain the primary regulatory force in international commerce. How, then, shall it be made fair? In some cases the situation has been recognized as intolerable and international action has been taken. But these efforts have been piece-meal. They have not gone to the root of the difficulty. It is here that the federal experiences of the United States provide valuable guides for the international action. Either in the final treaty or in supplemental conventions the Powers should agree to eliminate from international commerce unfair practices and discriminations and establish a commission or commissions under the League of Nations to investigate and give publicity to infringements of the international rules. Possibly there should be two commissions, one dealing with trade, another with transportation as in the United States.

**We Should Make a Start**

IT will not be necessary (nor desirable) to give an international trade and commerce commission plenary power at first. That was not done in the case of the United States Interstate Commerce Commission and as for the Federal Trade Commission, it was the continuation of the Bureau of Corporations which had for years done effective work as a mere investigatory body. What is important is that in establishing an international commission the nations should provide it with a set of general rules for the regulation of international commerce, should empower it to investigate and give publicity to infractions of these rules, and should permit aggrieved



# Dictograph

## System of Interior Telephones

*Used every day by more than  
50,000 busy executives*

### Banks & Trust Companies

American Bankers Association,  
New York City  
American Trust Co., Boston  
Baltimore Trust Co., Baltimore  
Bankers Trust Co., New York  
Central National Bank, Oakland,  
Calif.  
Chapin National Bank, Spring-  
field, Mass.  
Cleveland Trust Co., Cleveland  
Continental Trust Co., Baltimore  
Corn Exchange Bank, N. Y. C.  
Danbury National Bank, Dan-  
bury, Conn.  
Dime Savings Bank, Brooklyn  
Drovers & Mechanics Bank, Balti-  
more  
Excelsior Savings Bank, New York  
Federal Reserve Bank, New York  
Philadelphia, Cleveland, San  
Francisco  
First International Bank, Phila.  
Holyoke National Bank, Holyoke  
Irving Trust Co., Brooklyn  
Metropolitan Trust Co., N. Y.  
New Netherland Bank of N. Y.  
New York State Bank, Albany  
The State Bank, New York City  
Union Trust Co., Chicago

### Food Products

American Beet Sugar Co., Denver,  
Colorado  
Aaron Buxbaum, New York  
California Fruit Exchange, Sacra-  
mento, Calif.  
Coca Products Refining Co., Cal.  
Czarnikow, Rionda Co., New York  
Essanckay Products Co., Chicago  
Fleischmann Yeast Co., Cincinnati  
Chas. Hewitt & Sons, Des Moines  
G. W. Loft Co., New York City  
Albert Miller & Co., Chicago  
Sprague-Warner & Co., Chicago  
Wheatena Company, Rahway, N. J.

### Textile and Kindred Lines

American Woolen Co., Boston  
Bigelow-Hartford Carpet Co., New  
York  
Botany Worsted Mills, N. Y.  
Durham Hosiery Mills, Durham,  
N. C.  
Royal Embroidery Works, N. Y.

### Manufacturers

American Smelting & Ref. Co.,  
N. Y. C.  
Crown Cork & Seal Co., Baltimore  
E. I. DuPont de Nemours & Co.,  
Scranton, Pa.  
International Silver Co., N. Y.  
Singer Mfg. Co., New York  
Victor Talking Machine Co., Cam-  
den

### Mining and Coal Industries

Bell & Zoller Company, Chicago  
Burns Brothers, New York City  
Clarendon Refining Company  
Clarendon, Pa.  
H. C. Frick Coke Co., Pittsburgh  
King Coal Co., San Francisco  
Paul S. Reeves & Company, Phila.  
Weber & McLoughlin, New York

### Insurance

Bankers Life Co., Des Moines, Ia.  
Equitable Life Ins. Co., New York  
Franklin Life Ins. Company,  
Springfield, Ill.  
Hartford Fire Ins. Co., Hartford  
Masonic Mutual Life Association  
Washington, D. C.  
New York Life Ins. Co., N. Y.  
Phoenix Mutual Life Co., Hart-  
ford  
Union Central Life Ins. Company,  
Cincinnati

### Iron, Steel & Machinery

American Brass Co., Waterbury,  
Conn.  
American Laundry Machinery Co.,  
New York  
American Locomotive Co., N. Y.  
American Steel Co., Pittsburgh  
Blaw-Knox Steel Co., Hoboken  
Boss Nut Company, Chicago  
Manning, Maxwell & Moore, N. Y.  
Otis Steel Co., Cleveland

The firms whose names form the border of this advertisement have  
given us permission to refer to them as satisfied  
users of the Dictograph System

This is only a partial list—the Dic-  
tograph is in daily use by over 50,000  
leading executives in every line of busi-  
ness, large and small, throughout the  
country.

It can be used where only 2 or 3  
stations are necessary, and is suffici-  
ently elastic to meet the requirements of  
the larger organizations using 10—20—  
30—40—up to 100 or more stations,

**No wasted steps—no misspent energy—no needless errors**

The Dictograph will simplify and  
expedite the work of every executive  
and employ in your organization—it  
will enable each to do more work, bet-

**May we give you an actual working, talking 5-minute demonstration?**

Let us show you—on your own desk  
—how the famous loud-speaking Mas-  
ter Station gives the executive the  
“right-of way”—how the voice is heard  
as perfectly as if the party talking  
were in the same room sitting at your  
desk—how you can hold conferences,  
dictate letters, receive reports, give or-

depending upon the inter-communica-  
tion requirements.

The Dictograph provides a *direct,  
immediate and confidential inter-com-  
munication service*, bringing instant  
contact between departments—as ex-  
pressed by the National Fire Insurance  
Company, who write: “Our conversa-  
tions now are as though we stood elbow  
to elbow, with all the satisfaction  
that such intimate contact implies.”

ter work, quicker work, and yet permit  
each man to remain at his own desk  
or within his own department.

ders, talk to callers—all without effort  
and without leaving your desk, while  
at the same time your entire organiza-  
tion is afforded complete, direct  
and efficient inter-office  
and inter-de-  
partment com-  
munication.

**Let us send you**

**“An Essay on Executive Efficiency”**

We want to send this *free* booklet to every in-  
terested executive with an inter-communication prob-  
lem, whether bank, office, store, factory, plant or  
Governmental department.

Get this interesting Booklet today, or ask for  
Demonstration. *Check the Coupon.*

**DICTOGRAPH PRODUCTS CORPORATION, C. H. Lehman, President**

**(GENERAL ACOUSTIC COMPANY)**

**1357 Candler Bldg., 220 West 42nd Street, New York City**

Page Steel & Wire Co., Adrian  
John A. Roebbing's Sons Co.,  
Trenton

### Auto Industries

Allen Auto Specialty Co., N. Y.  
Buick Motor Co., N. Y.  
Champion Ignition Co., Flint  
Garford Motor Truck Co.,  
Lima, Ohio  
Kelly Springfield Tire Co.,  
New York  
Keystone Tire & Rubber Co.,  
New York  
Overland Automobile Co., St.  
Louis

Packard Motor Car Co., New  
York, Albany, Detroit, etc.  
Sterling Tire Corporation,  
Rutherford, N. J.  
The Timken Detroit Axle Co.,  
Detroit

### Drugs, Chemicals, Oils

Dazgett & Ramsdell, N. Y.  
Imperial Oil Co., Toronto  
Spencer Kellogg & Son, Inc.,  
New York  
National Aniline & Chemical  
Co., Buffalo  
Pattco Paint Co., Milwaukee  
Pratt & Lambert, N. Y. C.

Standard Oil Co., Chicago,  
Newark, etc.  
Satisford Varnish Works,  
New York  
Texas Oil Co., Houston, Tex.

### Office Devices, Paper, Etc.

Addressograph Co., Pittsburgh  
Burroughs Adding Machine  
Co., New York  
Corona Typewriting Co., N. Y.  
Forbes Litho. Mfr. Co.,  
Chelsea, Mass.  
Merriam Paper Co., N. Y. C.  
B. D. Rising Paper Co.,  
Housatonic, Mass.

### Engineering & Building

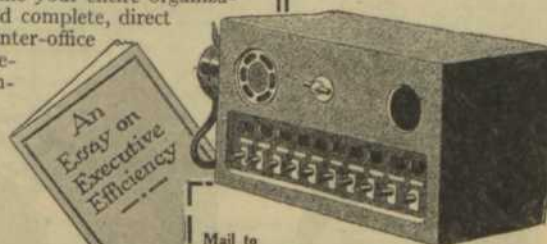
Bartlett, Hayward & Co., Balti-  
more  
Bling & Bing, New York City  
Denison & Hiron, Archs., N. Y.  
Fred T. French, New York City  
Northern Eng. Works, Detroit  
Price Bros. & Co., Ltd., Quebec  
Universal Portland Cement Co.,  
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### Transportation, Etc.

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more  
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Department of Charities and sev-  
eral other City Depts., N. Y.  
Department of Commerce, Wash-  
ington, D. C.  
Department of State, War, Navy,  
Commerce, Interior, Etc., Wash-  
ington, D. C.  
Headquarters, Port of Embarka-  
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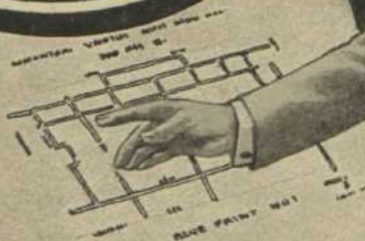
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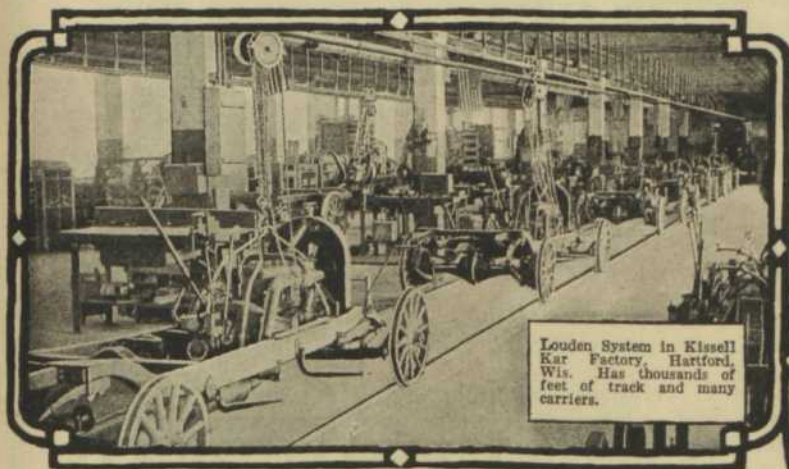
# GLOBE

## SPRINKLERS



# LOUDEN

## Overhead Carrying System



Louden System in Kissell Kar Factory, Hartford, Wis. Has thousands of feet of track and many carriers.

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or wherever material or manufactured articles are handled, indoors or outdoors.

The Louden System speeds up work—Relieves congestion—Saves floor space—Is out of the way when not in use—Prevents wear of the floor by trucking—Makes up for the Shortage of Man Power, and in many other ways cuts factory and warehouse costs.

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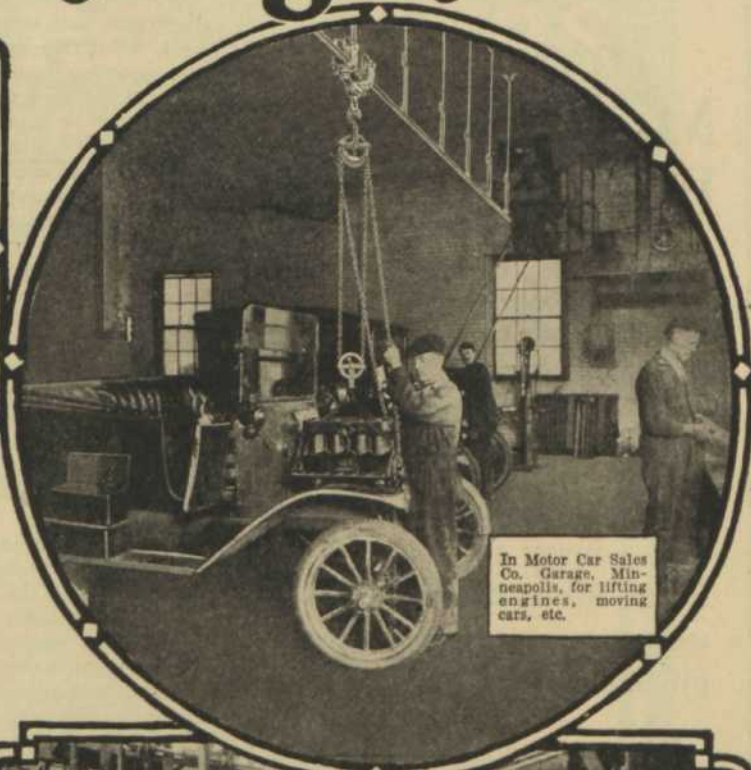
(Established 1867)

Department 11

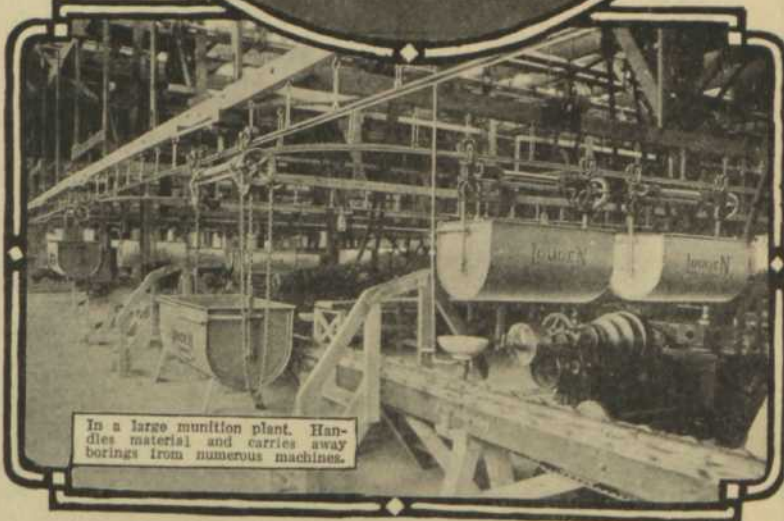
Fairfield, Iowa

#### **BRANCHES**

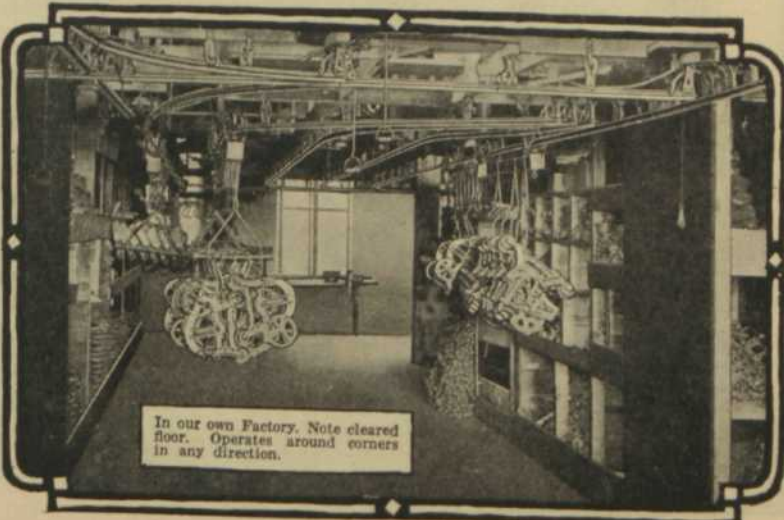
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Bonds—Short Term Notes—Acceptances

## A Referee for World Trade

parties to lay their complaints before it. The interpretation and extensions of the rules would gradually establish a body of precedents, the nations would get more and more confidence in the commission, and it would gradually evolve into an organization which would effectively regulate international commerce.

The necessity of such a commission is clear to anyone who knows the facts. Natural conservatism and national pride are holding us back. But the economic life of the world has far outrun our political organizations. The problems of international shipping and trade cannot be handled by nations singly. There must be a common body of rules and a central body to apply them. In establishing an international commission under the League of Nations with power to regulate commerce and trade, nations will not give up anything which the interests of the world warrant them in keeping. If such a forward step is not taken, what will be the penalty? Nations will return to the unrestricted, anarchistic trade methods of the past. Competition in many markets will be bitter. Each nation will feel it necessary to control colonies, to capture spheres of influence, to obtain concessions, and to build a merchant marine in order that its economic power may give it an advantage.

No nation is going to rely on another to do it justice. The alternative before the nations are the return to the old regulated competition of the past under which each nation gets all that it can according to standards of its own making, or—the more preferable choice—the establishment of a body of rules on international trade and commerce and a commission to interpret and ultimately administer them.

*The material for the foregoing article is from "Commercial Policy," a book by Mr. Culbertson, now in press for early publication by D. Appleton and Company, New York.—The Editor.*

## Why Peek Is Not in Paris

(Concluded from page 29)

book for their inspiration. He talked to them, and in his talks he said: "Master the goods you sell; believe in your work; and, above all, be absolutely honest and clean-cut in all you do, for the sake of the house, if not for your own sake."

Genius is commonly supposed to be eccentric. This may be true of making rhymes and daubing semblances of trees and ladies on canvas, but I cannot believe that it is true of business—not after talking with George Peek. Above all things he has—balance.

Mr. Peek has a hobby, work, which he varies by golf and horseback riding. He and Mrs. Peek are fond of the flower and vegetable gardens which surround their Moline home. This home crowns a hill two or three miles out in the country. Mr. Peek began life out on a farm and likes still to have about his home a green panorama of rolling American fields.

## To Our Readers

An index of THE NATION'S BUSINESS for the year 1918 will be furnished to those writing for it.



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"Makes Day of Night"

In all lines of endeavor, REFLECTOLYTES are needed to eliminate eye-strain, display merchandise, promote efficiency, lessen liability of accident, and increase production.

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**T**HOUSANDS of manufacturers ship in Pioneer Boxes. Their number is increasing daily.

Shippers favor Pioneers because they are light and easy to assemble and handle (set up in half the time of nailed boxes). Because they save time, labor and nails in packing. Because they are 30% to 50% lighter than nailed boxes (a freight saving) and many times stronger because they are bound with annealed steel wire of great tensile strength.

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Learn what Pioneers will do for you in your business.

#### PIONEER BOX COMPANY

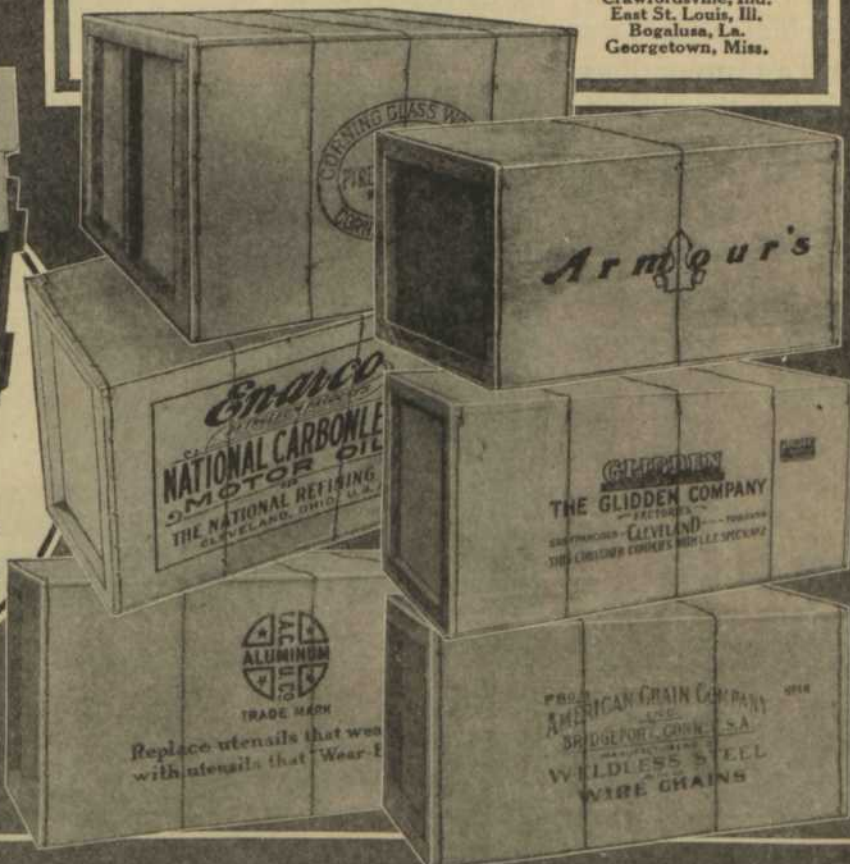
1021 Elmore Street

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Takes more than this  
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"out of business"



Replace utensils that wear  
with utensils that "Wear-I"



# Oil; the Magic Fluid

It works, through all the world, its spell of Light and Heat and Power and greases the wheels it drives. It was imprisoned underground till the derrick and the drill released it for our use

**L**ET a man shout from the housetops that he has found Oil; let it be so much as whispered that he has found it—the world will rush to his door.

Around his land overnight will rise the hum of Industry awake. Derricks will dot the landscape in a week. A town will spring up in a month. Machinery for the drilling, oil well supplies of every kind, will pour in by the carload. Pipe lines will stretch their hundreds of miles to distant refineries. Men will make and lose fortunes while the clock ticks away the hour.

And the Oil, flowing from the depths as they are pierced, will add its bit to that film of petroleum on which the whole civilized world now moves. It will drive a ship at sea; it will give life to the airplane as it rides the wind; it will light the hut of a Chinese coolie within a stone's throw of the Great Wall, or cast mysterious shadows before the altar of his joss in a neighboring temple.

**S**TEEL will make you an engine; but that black, green or golden fluid, in quest of which the mushroom community springs up in a night, will make it go; and it will do a score of things besides, from blacking your shoes to curing your sore throat.

Its romance is greater than the romance of Gold. Gold is as beautiful as the sun; but Petroleum is the stored-up essence of the sun. It is light and heat; it is Power; it is the perfect fuel.

No wonder men rush to tap the earth for it. No wonder the oil fields of the United States are producing today more than 65 per cent of the world's petroleum supply, and that we consume and export more than 370 million barrels annually.

Men used to dig for oil with pick and shovel, as they dig for water; and there are parts of the





world where they still get it by way of the old oaken bucket and take their chances on death by gas. But production on such a scale and by such methods could have no part in the development of an age of machinery. It could not make possible the internal combustion engine, with the great mechanical series of industrial achievements that have sprung from it. It could not suffice; nor could it withstand the pressure of the more and more insistent demand for oil that began to make itself felt in the 50's, and has grown steadily since that day, till now the flood of oil, rising to meet it, has become a torrent.

Edwin L. Drake sent his Iron Drill into the rock and brought forth petroleum in 1859 at Titusville, Pennsylvania. From that day to this there has been no let-up. Drake first attempted to dig but later conceived the plan of drilling somewhat after the ancient Chinese system modified to the use of a rope in place of bamboo poles as the means of suspending the drill or bit. He built a derrick, over the top of which the rope or cable was passed; to one end was attached the bit, the other end being attached to a spool or shaft which raised or lowered the crude "string of tools" at will of the operator. A Walking Beam operated by a small steam engine provided the motion by which the bit was raised and dropped in continuous concussion.

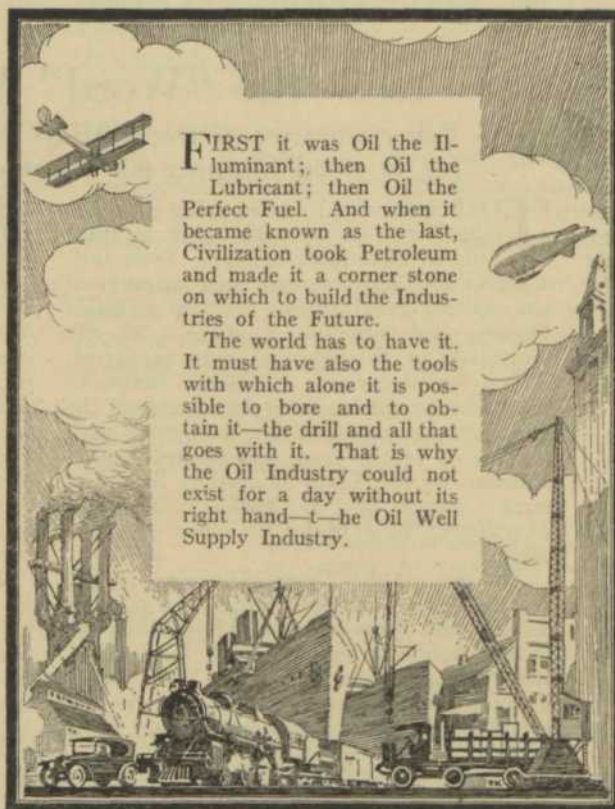
The construction of those crude tools resembled

only in a far off fashion the tremendous percussion bits and rotary drills and fishing tools, and the thousand mechanical contrivances for drilling wells today; but it nevertheless marked the beginning, simultaneously with the quantity production of oil, of the great oil well supply industry.

It is a source of pride to the men of the oil well supply industry that their work of the last thirty years has made that 370 million barrels possible; that because of their enterprise and resourcefulness, oil production on a huge scale has stimulated the invention of oil using machinery, and has in turn met that fresh demand occasioned by such invention; till now the want of oil would force us to retrace the steps of two generations and build our industrial world anew, so necessary has it become.

It is an additional source of pride that this great industry, furnishing the tools for such exacting work, is distinctively an American industry, and that the oil well supply companies of the

United States are today producing nearly all of the oil drilling machinery in the world. American equipment is to be found in every part of the globe. And the reason is that it is the best equipment. It has had to be the best; it has had to lead in order to write that record of achievement which makes its story.



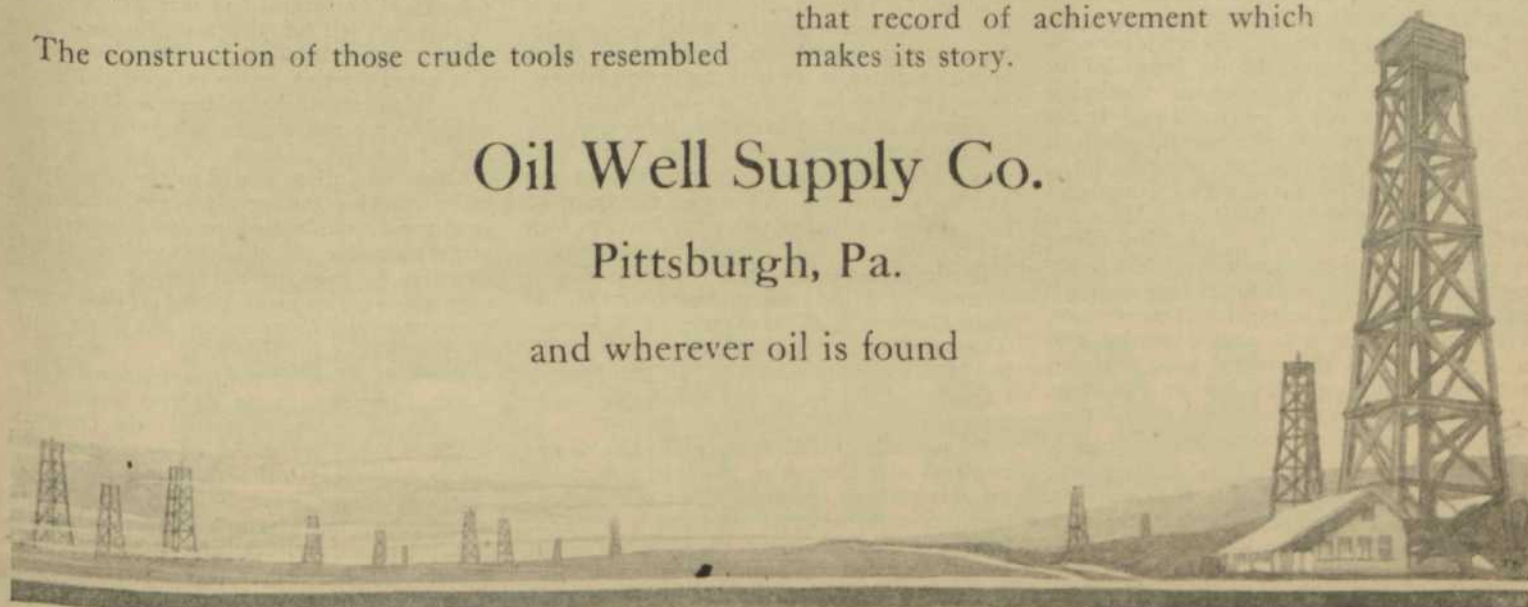
FIRST it was Oil the Illuminant; then Oil the Lubricant; then Oil the Perfect Fuel. And when it became known as the last, Civilization took Petroleum and made it a corner stone on which to build the Industries of the Future.

The world has to have it. It must have also the tools with which alone it is possible to bore and to obtain it—the drill and all that goes with it. That is why the Oil Industry could not exist for a day without its right hand—the Oil Well Supply Industry.

## Oil Well Supply Co.

Pittsburgh, Pa.

and wherever oil is found





## The Word from the West

(Concluded from page 12)

Woodrow Wilson would bring more war upon the world. These practical men thought the plan "practical." Rather high testimony, I am thinking.

And then they talked of giving work to the soldiers by extending the government's credit for the reclaiming of lands for their use as farms. This resolution certainly finds an echoing cheer in the camps of France as well as in the cantonments of America, and in the homes, too, of tens of thousands of eager mothers, who are anxious to see their boys "who have been so brave and so generous" given a start in life.

They wanted business resumed regardless of prices, rather take a loss than stop. They hoped for developed waterways that would compete with railroads. Water powers must be made available to save coal. Farmers should be able to borrow more money on their lands. Good roads should be promoted. Little investors in stocks and bonds should be protected. Indeed, these men talked and resolved seriously like "gentlemen unafraid." They were for a greater America, a policy of "carry on." They had plans and hopes that took no stock of the wild theories that are abroad as being real dangers to this land of ordered liberty.

Listen to this word on the relation between capital and labor; it is the closing sentence of a long resolution. "The public has a right to demand that a remedy be found by the interested parties themselves, so that the enmity and hostility of the past will cease, and labor and capital shall be partners in industry, and not enemies." Truly, men who think this way are not Bourbons, their eyes are not turned in the unfortunate direction which brought misfortune to Lot's wife.

### Capital an Adventurer

**B**UT while talking of capital and labor, why is there such constant ignoring of another member of the firm, just as important as the other two, if we consider the manner in which industry is conducted today? How about the brains that organizes, directs, manages the property? The capitalist is an adventurer, and when he is, he should be compensated as an adventurer. He should have not merely the standard return on capital, which in standardized enterprises like railroads will inevitably tend downward to interest rate, the discount rate of the banks. So much for capital as such, where it is not imperiled or where its risks may be foreseen. Capital is labor and thrift and vision stored up. It has responsibilities toward the world which it must recognize, duties that it must perform, or it will not be permitted. That is the cold fact. It must multiply itself or it does not do its duty. Latterly we have been taking so great a part of that wealth which is newly created as taxes and putting it into war, the most wasteful of all enterprises, that we have not been launching new works, opening new enterprises. And that is not good business, not healthy for capital, labor or the state. And labor needs capital and both need directing brains, wise, far-seeing brains.

In the older days capital and management were one, the capitalist was the manager. He conceived the factory, the mill, the shop or whatever the venture was. This was in the day of smaller things. Now, however, the brains that runs the plant is not the pocket

which furnishes the money for it, nor the hand that works in it.

There are really now four partners—labor, capital, management and the state. And when capital and labor sit down together, as suggested, they must in themselves represent the spirit and the interest of the other two or else the enterprise will fail. The world was divided some four hundred years ago, and all the eastern half given to Portugal and the western half to Spain. But the division did not last. There was a superior claim, a party in interest whose rights had not been considered. And so it must be with any new division of the earth. Society is the large word nowadays. And that does not mean socialism. It means conscience applied to

business. It means for labor more than enough to live on, a reason financial and psychological for doing its best. (And please do not overlook that word psychological.) It means for capital a standard return plus risk insurance. It means for management a liberal percentage of what its service adds to the value of labor and capital. And it means for the state, which is the multitude, a well-based belief that it is not being exploited.

These things are being seen. The Trans-Mississippi Congress gave evidence of the vision. And if they are seen in their full purport there will not be so much need, once we have settled again into our normal stride, for Government and the Washington viewpoint.

## How the "Word" Was Conceived

Representatives of Every Mid-West Activity from Hog Raising to Bond Clipping got Together and Thought Out Loud

**T**HE best way to learn what men are thinking is to assemble them together and let them think out loud. From such a procedure there has just come an unusual and striking readjustment program to guide business and agricultural interests of the Central-West through the post-war period. This program, carrying as it does a composite expression of opinion as to the solution of the most pressing questions that have come with the ending of the war, was framed late in February at the Trans-Mississippi Readjustment Congress held at Omaha, Neb., under direction of the Omaha Chamber of Commerce.

The men of the Trans-Mississippi region, representing some twenty states, did not stop merely with a consideration of problems affecting their own districts alone, but expressive of the increased interest the West is taking in national affairs, gave their views on the problems that are vexing the nation as a whole.

### Finding Planks to Stand On

**T**HE manner of obtaining expression on these national questions and those that solely concern the Mid-West gives them an unusual value. The process was one of thinking out loud. At general sessions of the congress the delegates heard the foremost authorities of the country discuss issues, but their own opinions and views were expressed in small group meetings where men talked freely and frankly, exchanging ideas informally. There differences were composed and there resolutions were prepared which, sifted by a clearance committee, went before the general congress for adoption.

Elsewhere in this magazine there are presented the text of the declarations of the congress and comprehensive summaries of the addresses delivered. They give the spirit of the congress and they tell what business men are thinking.

The congress was opened with addresses of welcome by Mayor Ed P. Smith, of Omaha, and Governor S. R. McKelvie, of Nebraska. The purposes of the congress were set forth by John Gamble, president of the Omaha Chamber of Commerce, whose opening words were these:

"The sudden transition from a peaceful nation to a war-like nation has been one of the greatest tests of the strength of our country that the world has ever seen and it is indeed fortunate that this great change came about as smoothly and as thoroughly as it did. But the sudden transition from a nation engaged

in the greatest war of all history to a peaceful nation presents even more and greater problems."

Readjustment problems peculiar to the Middle West were presented by Harry A. Wheeler, president of the Chamber of Commerce of the United States. The importance of agricultural development and the part the Middle West must take in feeding the world were stressed by Secretary Houston, of the Department of Agriculture. The necessity of viewing the future with optimism, if we are to bridge the next few months, was the word brought by J. Ogden Armour, who sent a paper to be read before the congress.

There were other speakers, including J. F. Smetanka, special representative of the Czecho-Slovak Nation, on "Trade Possibilities with Our Allies"; A. C. Carpenter, of New Orleans, "Water Ways"; John P. Frey, editor of the *International Moulders' Journal*, "Industrial Relations," and Willis H. Booth, of the Guaranty Trust Company, New York, "The Financial Outlook."

Because their suggestions on Mid-West readjustment problems were so national in their scope—and naturally—they are presented in this number.

### Farmers Want a National Chamber

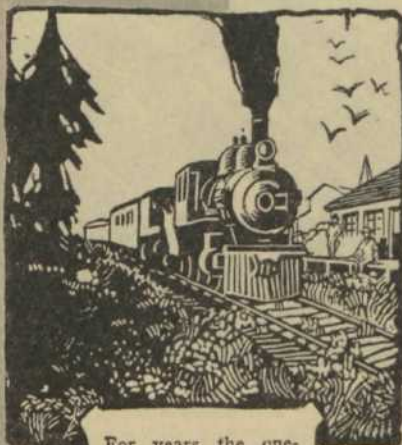
**S**EVERAL hundred farmers made up the agricultural group. Perhaps their most important declaration was on the subject of a national chamber of agriculture. It was the general sense of the group that such a chamber should be formed and that into it should be brought all of the farm organizations which exist in the country. The Government was asked by this group to open the public domain to returning soldiers and to make available for settlement waste and cut over lands.

Other resolutions passed by the farm group called for Government aid in the building of good roads, standardization of manufacturing processes and elimination of needless styles; close co-operation of all interests intiding over the readjustment period; Government guarantee relative to wheat and other agricultural products.

P. G. Holden, of the International Harvester Company, in an address before the agricultural group declared the country should make itself more independent in the production of agricultural commodities.

Other groups were civic, transportation, water power, manufacturing, grain exchanges, garment manufacturers, advertising and selling, milling, banking, rotary, lawyers, dairy products and farm implements.





For years the one-train-a-day freight, and passenger accommodation—lumbering along its rusty weed-grown right of way—has been one of the railroad man's greatest problems.

## Motor Trucks— The "Spur Line" Solution

Railroad "Spur Lines" rarely pay expenses. As gatherers of business for the main lines, however, they are sometimes impossible to avoid. Yet the traffic gathered by them is turned over to the main lines with a deficit attached.

Motor trucks are the new spur lines, travelling wherever roads go. Not only do they haul economically, but they have opened up new territory—they feed the railroads with a yield formerly unthinkable, taking cargoes direct to the main lines, without the spur line's bill of expense attached.

In this work of modernizing transportation, Federal dependability and economy have played no small part. Today the largest railway systems in America are using Federal Motor Trucks, many of them in large fleets.

Federal service has thus made the Federal a permanent fixture in the nation's commercial fabric, an efficient solution for the profit-eating spur line.

*Federal "Traffic News", a magazine of modern motor haulage will be sent free on request to responsible executives.*

Federal Motor Truck Company, Detroit, Michigan

*"Return Loads Will Cut Your Haulage Costs"*



Another

# FEDERAL

—One to Five Ton Capacities—





## Making the Highways Smooth for Commerce

Highway transport is called upon to play a more and more important part in the commercial life of America. The swift and economical distribution of our goods depends upon our roads.

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Standard Tank Cars are adapted to every kind of liquid commodity. Their performance records supply convincing evidence that they are a consistently economical investment.

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**PROMPT DELIVERIES**

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Philadelphia  
108 South Fourth St.

# Standard Tank Cars



## How the "Word" Was Conceived

Livestock interests formed one of the largest groups attending the congress. A summary of the resolutions passed by this group is interesting as setting forth what these men think. Their very first resolution said:

"We pledge ourselves to do all we can until conditions have become normal. We had no regulations to get where we are; we need none to get back. Supply and demand will regulate matters."

Other resolutions passed by this group declare that if it should become necessary to restrict citizens or business that restriction be made effective by law rather than by regulation or rule; that the railroads should be turned back to their owners; that Congress should empower the Government to use embargoes and tariffs to protect American industry; that live stock paper should cover longer periods and that the minimum price of hogs should be maintained at \$17.50 until the 1918 pig crop has been marketed.

Service to the public and to the country was the spirit expressed at meetings of the insurance group. C. A. McCotter, of Minneapolis, declared insurance companies should educate the public in fire prevention. H. L. Ekern, former insurance commissioner of Wisconsin, said people should be protected by sound companies, whether stock or mutual. The group declared for maintenance of soldiers' and sailors' war risk insurance.

Members of the building group expressed the belief that building prices will come down slowly. It was urged that building be started immediately, despite high prices, that business may be stimulated and that men may be given employment.

## Panama—A Menace or Blessing?

(Concluded from page 42)

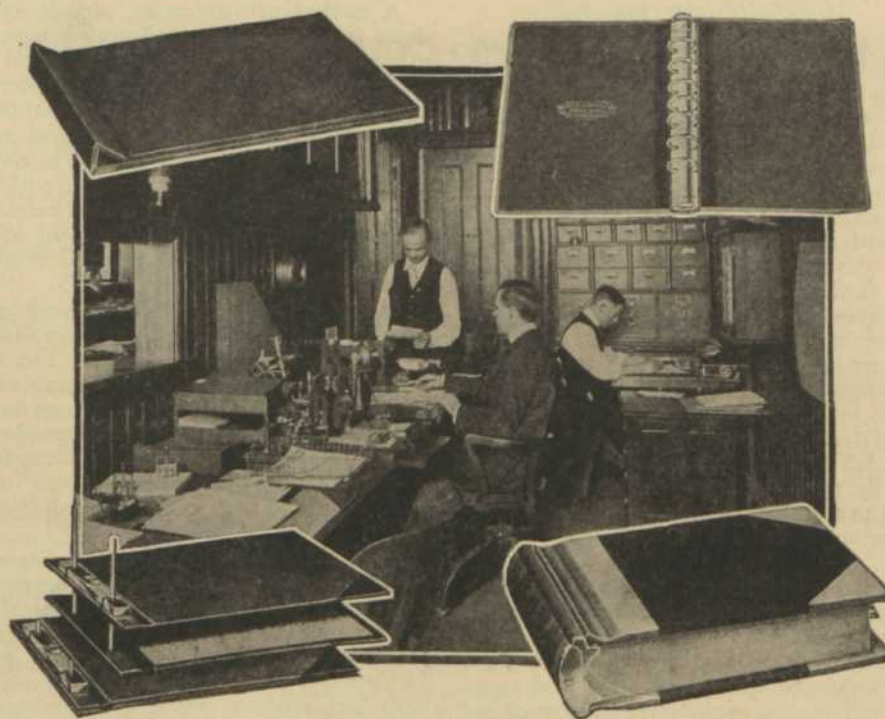
New Orleans. But with an economic boat transportation system plying on the Mississippi river and its tributaries, the whole working in co-ordination with the Valley's railroads, and served by economic terminal and warehouse facilities, the Valley, for the first time in its trade career, will enjoy the immensely valuable opportunity of using its own natural ports and its own trade channels of low natural resistance.

The Mississippi Valley Waterways Association was formed as a medium through which the people of the Mississippi Valley could make common cause. As a result there are now Federal boat lines successfully operating on the upper and lower Mississippi and on the Warrior River to and from New Orleans.

Last month, at New Orleans, we organized the Mississippi Valley Association as a strong and practical medium through which the people of the Valley can make common cause in all matters affecting the broad, general interests of the region lying between the east and west mountain ranges, Canada and the Gulf.

The Mississippi Valley Association is now promoting the formation of one or more great overseas trading companies and a great foreign trade bank, all to be owned and controlled by the Mississippi Valley.

Until we shall have developed our easy grade short haul north and south transportation channels, the Panama Canal will be a menace instead of a blessing to the Mississippi Valley.



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## The Ounce of Prevention

(Concluded from page 20)

insure as nearly as may be possible fair dealing?

It is true that prior to the outbreak of the war the world presented a network of commercial treaties, but unfortunately these treaties did not contain either the terms or the foundations for a general commercial policy calculated to appeal to the fair-mindedness and intelligence of all nations. Their scope was narrow and their objects fell far short of the real necessities. These treaties themselves contained, in many instances, feature of rank discrimination and retaliation and were in no broad sense designed as a code of commercial ethics. The result has been that no redress for any injuries or complaints arising from the various acts and methods contended could be had except by arbitration mutually agreed to now and then or by an appeal to the slow, uncertain, and wholly unsatisfactory agencies which diplomacy has offered.

The war has broken the mass of commercial treaties formerly existing between the belligerent countries and besides, several nations are now proposing to abrogate these treaties existing with allied or neutral countries, with a view to the establishment of national trade policies calculated to promote greater commercial development. This is a stage at which every commercial nation might well begin with a clean slate.

There will be, now that the war is ended, a readjustment of tariffs everywhere offering a strong incentive to the renewal of tariff wars. Every nation will be disposed to adopt all the accustomed devices and methods calculated to give each some commercial advantage through preference or other means not justifiable except upon the theory that other countries are doing likewise. Many nations have already prepared to protect themselves either by means of primitive surtaxes or by retaliation in kind or by prohibition of commercial intercourse.

### Peace Conference Should Prohibit

IT is of paramount importance, therefore, from every viewpoint, that the present Peace Conference should incorporate, or cause to be prescribed, certain prohibitions by which both individuals and nations shall be governed in their international financial and commercial activities, thereby eliminating as many of the trouble-making policies to which the world has been accustomed as it may be possible to agree upon.

There is such a wealth of aggravated cases and incidents illustrating in almost innumerable ways the objectionable, dangerous and unfair trade practices that have been so common, it makes one almost despair of the future peace of the world to contemplate a resumption of these deplorable and war-breeding policies. Every intelligent citizen in every country should feel keenly the great lesson of experience and lend his influence in a reformation of these international practices.

I do not contend that all hurtful practices can be abolished by common agreement among the nations but I do believe that it would be most wise and feasible at this time for the governments of the various commercial nations to enter into an agreement defining what their most enlightened joint judgment would suggest with respect to the term "fair trade" and eliminating and abandoning by mutual consent the principal and more vicious devices. This action undoubtedly would greatly

minimize these activities and doubtless would bring forth the abandonment of most of them.

A method of arbitration, already successfully tried out in a small way between the Argentine and the United States, would solve most controversies arising among traders and business men. Either an international organization constituted for the purpose of investigating and deciding when acts are in violation of "fair trade" as defined, together with agencies provided by other nations to retaliate if necessary, as suggested by President Wilson, on an efficient arbitration tribunal would afford a remedy.

In any event, there should be some permanent workable agency. Others more desirable doubtless could be worked out. The world cannot hope to embark upon an era of permanent peace unless it first makes up its mind to the abandonment of some of the underlying causes of most of the wars of the past.

## Our Book of Doom

A DOOMSDAY BOOK of a new sort has been produced by the Alien Property Custodian. It approximates 500 pages in length and sets out the names of the enemy concerns that have been found in the United States. Incidentally, the Custodian thinks his efforts have been without real cost to the country; for the amount of income taxes which were being evaded, and which he brought to light for the Treasury to collect, exceeded the expense of his office by \$600,000. Besides, he turned some of the concerns to war work, and had them produce \$30,000,000 of supplies.

The record proceeds by chapters, and individual industries have such importance that they have chapters to themselves. There is a chapter on wireless, another on magnetos, a third upon coal-tar colors, and still another on the fur trade, in which we were so good-hearted as to send even our native furs to Germany, and buy them back at a cost to ourselves and an advantage to Leipzig.

All manner of things have happened to German interests in the United States. The German part in a company controlling patents for use in locomotives has been sold to the Railroad Administration. A munitions plant, which had a devious career in aid of Germany, ceased being picturesque and became useful when it was commandeered by the War Department. Ninety-seven patents granted to Germans for radiotelegraphy have been transferred to the Navy Department. Even the French firm, the name of which appeared upon champagne bottles, got into trouble through circumstances that are sufficiently sad; for one member was interned in France as dangerous to his own country, another went to Germany to live, and the third became a German officer.

The Custodian, it seems, has a care for small things, as well as blocks of timberland such as the tract of 150,000 acres he discovered in Florida. Accordingly, he sets down with solemnity the record of some beer casks which were enemy-owned and realized 28 cents, some typewriter tapes that fetched \$9.37, thirty six dollars' worth of cotton thread, and a lot of other odds and ends which remind us that commerce and industry are not always spelled in ciphers extending to six places.

The Custodian's new book contains a deal of comfort for Americans who have claims against Germany and who have been wondering if they would have to wait for payment until Germany makes up its own mind about the variety of government it likes best. The State Department has hinted that American

claimants may get immediate reimbursement from the funds the Custodian has collected. Presumably the German owners of American property that has been liquidated can then look to their government,—and do the waiting.

### Putting the Diplomat to Work

A COMMERCIAL DIPLOMATIC SERVICE would have been a decided misnomer not so very long ago. The gentlemen of the diplomatic service usually had no great taste for business, and business-minded gentlemen, of the same nationality mayhap, had an apparently ineradicable aversion for the diplomats.

But new seasons demand new fashions, and this is certainly a new season in world affairs. By way of trying out a new style, the British government has evolved, through its Overseas Trade Department, a commercial diplomatic service. England considers that it has taken the next step beyond its former commercial attache service and has appointed commercial secretaries and commercial counsellors to its embassies and legislations. Having done this, it presumably will watch with some trepidation to discover whether diplomacy or business gains the ascendancy.

If the business end of the new service fails to become prominent, British manufacturers will not be at fault. They seem to intend to have men on the spot to see that the commercial diplomats live up to their business opportunities. About 1,100 British firms and 170 trade organizations, associated in the Federation of British Industries and in the British Manufacturers Corporation, have entered upon a plan for having a representative in each important foreign market, who will report upon trade conditions and seek to advance the interests of members. At the same time, branch offices of the association will be opened in British centers. The benefits of this scheme will be open to British manufacturers for a yearly fee of \$500.

### A Key Industry Knocks at the Farm Gate

POTASH has had much attention upon the front page of war-time newspapers. Having potash to sell, the Germans tried to fix in our minds the idea that German potash is a *sine qua non* for our agricultural existence. Like many other shibboleth, this notion was put to the test, and American potash was actually produced and found to be as efficacious as any other kind. But the American farmer is now in the attitude of thoughtfully rubbing his chin and saying he would like to think about his part in the matter.

Perhaps prices are at the root of the situation. At any rate, potash and the farmer are for the present holding each other at arm's length. Before the war, we used a million tons a year, and now we have developed a domestic production of 250,000 tons, and a deal of it is lying in warehouse. Nebraska brine lakes now yield 50,000 tons a year of "actual" potash, Searles Lake 24,000 tons, wastes in the production of industrial alcohol 1,500, alunite around 4,000, cement dust about 1,200, and so on. The plants that used kelp were before the armistice turning out potash at a rate of 5,000 tons a year for powder, but have already ceased operation because of high costs.

The question at the moment is whether our lands will again this year go without their ration of potash and a new domestic industry at the same time be set back. In more senses than one there is clearly a readjustment problem here.



# Are You Getting the Most From Your Trucks?

*Give "Ship by Truck" a Broader Meaning in Your Own Fleet*

*By Harvey S. Firestone, President, Firestone Tire & Rubber Co.*

**T**HE sooner you realize that your trucks are more than substitutes for horse-drawn vehicles, the sooner you will obtain the broader, more important, more valuable returns from motor trucking.

You can and should exact duties from your trucks that are entirely beyond the capabilities of horse-and-wagon transportation. Apply the "Ship by Truck" idea to your own fleet. Give your trucks new transportation duties, a wider radius, special responsibilities that no other transportation method can assume.

In the far West trucks are forcing their way into the forests and with the aid of trailers bearing out the logs to the mills. Timbermen have reported as high as 50% saving over any other method of logging. This is only one of a long list of truck activities in the lumber industry.

The freight embargoes of the War taught a wholesome lesson. They showed business men new, unsuspected uses for trucks. For example, a large eastern corset manufacturer used his trucks to solve stringent labor conditions.

The town in which his factory is located was a center of munition work. When labor costs became prohibitive he opened plants in three neighboring towns at distances of 23, 30 and 40 miles. Labor was obtained in these communities at much more

reasonable rates. Raw materials were transported from the factory warehouse to these new plants by truck. The return load was made up of finished or partly finished goods.

The promptness and low cost of haulage between these four plants enabled him to continue business profitably in the face of serious labor shortage.

Trucks have proved invaluable in the last year in moving labor from the towns to the fields during the rush of harvesting.

Truck haulage between plants located in different cities is rapidly coming to the fore as a means of speeding manufacture, relieving labor conditions, reducing raw-material stocks and lending needed assistance to the overburdened railroads.

*"Ship by Truck."*

The power of the idea lies in the universal adaptability of this new method of transportation.

Set your mind to the problem of extending the usefulness of your truck or truck fleet. Get the values that other truck owners have proved can be obtained. Consult your Chamber of Commerce and Return Loads Bureau as to the latest developments in trucking.

Don't let transportation difficulties reduce the high manufacturing efficiency of your plant.

*"Ship by Truck."*



*Reproduction of photograph of truck owned by Fred Johnson, Portland, Ore.*

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Then, so large is the factor of safety that in handling such a wide variety of goods as 200 lines of business represent, GMC Trucks have proved universally dependable.

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(458)

# GMC TRUCKS



## Cold Feet and Business Future

By GALBRAITH MILLER, JR.  
President of International Association of  
Garment Manufacturers

FOR some reason business has always been shy and hesitating in the face of any fundamental changes. It has always seemed to me to be one of the axioms of trade—"whenever anything different occurs—stop!"

When war broke out in 1914 we all stopped, although experience had shown that war inevitably causes great industrial activity and high prices. And we didn't begin again until absolutely forced to do so by the demands for war materials. Again when peace came we stopped and now we are all wondering what force is going to give us the impetus to start again. Self-starters do not seem to be in the regular equipment of any business. Almost every Presidential election has acted as a break on business simply because we had learned to believe it should be. Cold feet seems to be a spasmodic affliction of business.

At the first suggestion of any change in the way things are being done, men pause in their affairs and look around to see what the other fellows are doing.

The other fellows are doing some looking on their own account and then everything stops—except the looking. Buyers become indifferent and sellers anxious. Lower prices are offered as a bait, the cut first being in the profits of the seller. A reduced volume of business increases overhead which means that reductions in fixed labor charges must be made. Further reductions in prices do not serve to stabilize anything as the buyers lose whatever courage they had when they see values crumbling. Instead of creating business, price cutting has entirely the opposite effect. Soon complete demoralization sets in and bad times are upon us. President Wilson was pretty nearly correct when he said that bad times were largely psychological.

Granting this to be true as regards the present emergency, can't we reason ourselves out of the ungrounded fears that have so chilled not only our feet but pretty nearly our whole anatomy?

The present waiting policy is wrong.

There was no indication in November at the time the armistice was signed that business was stopping up. The consumer was buying—and buying liberally and is doing so even now. The retailer has not become balky. He had the biggest trade he had ever known; his stocks were not large and are not even today adequate to meet his trade demands.

Many jobbers openly boasted that they would break the market, seemingly forgetting that by bringing down the market, they were depreciating their own stocks and those of their customers. Their plan met with success and the market broke and with the break went all confidence. Now many of those who played are praying for a rise in prices as they feel that that alone will lend stability to conditions. Yet they that pray have not the courage to play the game from the other angle and pitch in and buy and by so doing start industry in motion once more. Instead of crying at conditions, for which they are largely responsible—let these operators make the most of the prices they have been able to establish and let them become bulls and buy.

The moment that a buying movement begins, then will prices rise. With prices on the upward turn, then will the retailer operate. The consumer has not yet quit and is in fact buying without regard to price.

I wish I could carry this message to every business man in the country—go ahead now

# As Business Mobilizes for Peace—

## New Difficulties and New Problems Beset Us, and the Call is For Guidance to a Unity of Purpose and Action

WHEN President Wilson was asked for a Reconstruction Commission, he waved his hand and told Tumulty to tell the country that it could do no better than trust to the ingenuity and resourcefulness of the American business man.

The war record of American business earned the compliment—but we must not blind ourselves to the still greater problem of peace.

Great as was the accomplishment of American business in war, its task was, after all, plain; it was to get things done and over there. The only problem was "how",—and "how" has never daunted the American business man!

Our problem is no longer to get things done, but to know whether or not to do them. Not production, but curtailment of production; not action, but inaction; not "how", but "whether", are the issues which confront us today,—and harassing and perplexing issues they are.

So it is of high moment that American business be accurately and promptly informed of the new developments which are taking place in commerce, industry and finance, and which bear upon business in its national phase in the difficult and uncertain days ahead.

This guidance it is the responsibility of the United States Chamber of Commerce to provide; and it is providing it through its official magazine, THE NATION'S BUSINESS. Month by month the leading personalities in business and government are telling in THE NATION'S BUSINESS what they are doing, why they are doing it, and what the effect upon business will be.

THE NATION'S BUSINESS is regularly made up of articles and features from the most important men in business and government. The subjects discussed are those which vitally concern every man whose success rests upon accurate knowledge of conditions and tendencies in business and government.

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#### Resale Prices Bobs Up Again

**R**ESALE PRICES are a subject of which the Supreme Court cannot rid itself. About once a year it now gets a case involving manufacturers' attempts to protect their markets through the device of insisting that for their products jobbers and retailers should keep to the prices the manufacturers set.

Until 1913, to be sure, the Supreme Court did not have to bother its head about resale prices, for the very good reason that everybody acquiesced in the conclusion of the judge in a lower court, who, before he quit the bench for other activities that brought him to the Presidency, declared that manufacturers could rightly indicate resale price. Eventually, however, a recalcitrant druggist who prospered on "cut rates" went to the Supreme Court about his troubles with the maker of a product which originated in Germany, and surprised everyone by getting a decision in his favor.

Thereupon, different phases of the problem in succession came before the Supreme Court in suits between private litigants, until in the spring of 1918 it avowed it could imagine no complication upon which it had not passed. In its opinion, the possibilities of legal procedure over resale prices were exhausted.

In fact, criminal prosecution remained, and the Department of Justice has tried it. A manufacturer of toilet preparations was indicted on the charge of violating the Sherman Act in that its arrangements with dealers, backed up by its refusal to sell to those who departed from the prices it announced, amounted to a combination to restrain trade. The lower federal court could not see things in this light, and the Attorney General appealed. Thus, the Supreme Court, after concluding it had said the final word, discovers the subject is irrepressible and will shortly have to hand down another decision. This time it has opportunity to engage in an illuminating discussion which may serve to point the way for legislation by Congress that will set standards to divide legitimate and beneficial maintenance of resale prices from practices that are otherwise.

#### Our New Spring Clothes

**H**ERBERT SPENCER, philosophizing on the economy of style, points out that a reader's energy is divided between getting the meaning of the written word and the making of that meaning his own. If the writing is not clear too much energy is used up in what might be called the physical act of reading, thus decreasing the energy remaining for mental assimilation.

THE NATION'S BUSINESS through its typography and makeup has striven to present what it has to say in a way that it would be easy to read. Always working to this end we are making an experiment this month. Realizing that the reflection from the highly glazed paper which magazines generally use tires the eye, we have had manufactured a special stock planned particularly to minimize the energy required in the physical act of reading.

We shall be glad to hear from our readers as to what they think of the innovation.

## If You Want More Capital

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bank debts;

To provide  
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# War's Tips to British Business

Battle hazards drove England to organize her industries on a national scale—with science an active partner

By **GEORGE T. BYE**

*London Representative of The Nation's Business*

**T**HE reorganization of British industries, following their complete devotion to the necessities of war, as summed up at the end of this year, promises much more than a restoration to pre-war conditions.

To understand what is being undertaken, it is necessary to understand the peculiarities of British industry in the days before the nation's call to arms. Manufacturing was relentlessly competitive. If one plant achieved an improvement in machinery, the discovery of an expeditious method, these were things to be kept in darkest secrecy.

There were no associations of industries serving to circulate the knowledge of inventions, accidental or the result of experiment, for the general good. The manufacturers had no common meeting ground, though they occasionally saw each other at lectures of scientific societies. If they read papers at these meetings they took extravagant care not to hint at their "trade secrets," or trends in industry in which they hoped to be solitary leaders.

War changed all this. The war has more benevolent aspects than is generally imagined. It served to show American industries that many of them were banded together in unrelated societies that at once began to jostle and interfere with each other when summoned for concerted action; it served to convince British manufacturers of the grave national mistake of not being mutually helpful.

War compelled a pooling of facilities, and a standardization of effort. The directing center was the government. The Minister of Munitions became a directorate for associations of industries, and he brought manufacturers into his council chamber, often as deputy associates but largely in their old capacity of managers of factories. All productive power of Britain was for the first time merged.

## Shoulder to Shoulder

**M**AKERS met and advised each other. They not only disclosed all their trade secrets, but voted to choose the best methods. Everything was done for the national good. Each exerted himself to the utmost, not in the immediate interest of his own factory, but for the greater and better output of all. The benefits were at once apparent. Why not carry on the associations of industries after the war, so that British makers of automobiles, tools, woolen goods, everything, might continue to band together, to present a common front to foreign competition in the markets at home and abroad!

The formation of these societies is now going on, both at the volition of makers and at the direct instigation of the Department of Scientific and Industrial Research, a new government bureau.

Under this department has been placed the National Physical Laboratory, at Teddington, near London. The National Laboratory fills the functions of the American Bureau of Standards at Washington. It is the purpose to place the testing and experimental equipment of the laboratory at the disposal of the associations of industries.

## Pilgrimages of Progress

**T**HE December number of *The Nation's Business* told how the practical magicians at the Bureau of Standards help the American business man to capitalize the wonders of science. There are profits in laboratories! The war hugely advertised this fact to America. England too is on. She sent experts here to study our Bureau of Standards. She, too, has a story of war inspiration to tell. Here is an interesting fragment of it.—THE EDITOR.

Really the laboratory has always been available for industrial research, either at the call of industries or firms. It has settled many problems in metallurgy, aircraft, construction engineering, shipbuilding, electricity, the making of optical instruments, and in other equally important fields.

In the course of time the laboratory hopes to put out finer optical glass than Germany ever produced, relieving the heavy pressure of Teuton domination in this industry. German makers had the powerful help of government subsidies to enable them to win and hold pre-eminence in optical goods and lenses of all descriptions. What they achieved was not really a secret formula, or the discovery of new substances to add to the glass. The Germans gained experience and skill by much experimentation, perfecting their glass painfully step by step. It is through this tedious research that the Teddington laboratory is now toiling for the benefit of British optical industry.

The Bureau of Standards is also making a study of optical glass. A piece of its production was recently sent by the Bureau to its associate institution, the British Laboratory, showing what had been accomplished to date. The British Laboratory had attained an equivalent result and was experimenting to remove certain cavities in the "ore." Success was finally reached. The American bureau had put an improved product to use in the manufacture of fine glass, with unusually brilliant results.

German metallurgists had attained supremacy in the making of light alloys because of apathy in the British metal industry. When war cut off the supply of German aluminum,

duralumin and light steels, it became necessary for Britain to produce these substances quickly for the great variety of war uses. The Laboratory's metallurgics department, in extraordinary time, surpassed German science as represented in the metal found in latest German airplanes, air ships and other war apparatus. It is said that British light alloys now equal any in the world.

The metallurgical department is now vigorously exerting itself in the field of heavier metals, including brass, having attained nearly all it hoped to attain in light alloys. When I made my visit several pieces of a boiler, that had blown up and killed eight men, were being examined for the maker in order that the cause of the weakening of the metal might be learned. The method is to study the surface of broken bits, after they have been highly polished, and to subject them to various tests. A small fixed charge is exacted for all private work.

In the new order of organized British industrialism the laboratory is to lead the way into broader fields. And in addition to the duties that war left with it, the laboratory continues to control British standards, keeping out a stern eye for such old offenders as the short bushel and the light pound.

## Our Foreign Born

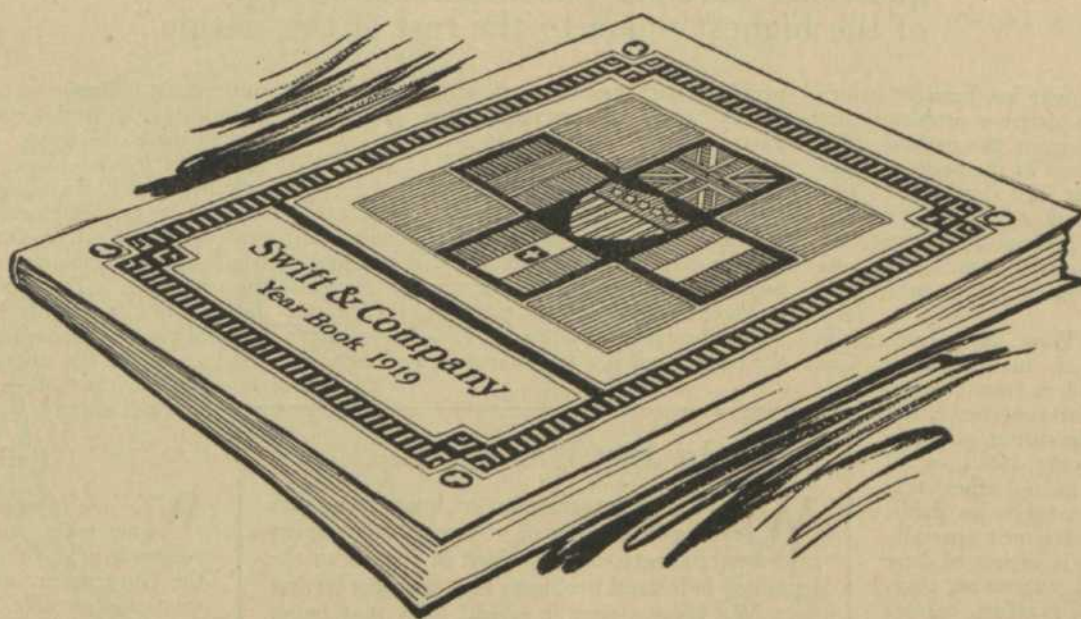
**O**NE of the great factors in holding and extending overseas business for England is the vast number of its subjects that choose permanent careers in distant ports. Many a Britisher coming to Shanghai, lives there all his life, dies, and is buried under the trees of the Bubbling Well Cemetery. His sons, born in China, carry on his business there.

Formerly the American went to the East with the intention of making enough in a few years to return home and retire on. That idea is passing. There are about 7,000 Americans in China now. A step towards permanency has been taken in Shanghai where a movement is under way for an American school of collegiate standing to be erected there. In commenting on this, *Millard's Review* says:

"In all China in both missionary and business communities there are approximately 1,200 children of school age. These children are scattered around in small private schools, in Chinese schools, some are in boarding schools away from parental influence in America and elsewhere; and some are in French schools and some are in British schools. The point is that they are not being educated in accordance with American educational ideals, regardless of the excellence of other institutions they may be attending.

"America has cast her lot with the other nations of the world. She gave her blood and treasure for an ideal. The job just begins when the Peace documents are signed."





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# Where the Middle West Stands

The attitude taken by this great section on questions that are puzzling industry may be of the highest value to the rest of the nation

**T**HE end of the war has brought before the country for decision problems that control the future of the nation. In a country such as ours one of the hardest things to determine is what Bill Jones and John Smith really are thinking. Industrial and commercial interests, meeting at Atlantic City shortly after the armistice was signed, outlined a reconstruction program which all could support.

The great Middle West, as represented by agricultural, industrial, manufacturing, live stock, and mining leaders from twenty-two states in a recent conference, has brought forth a readjustment platform containing the composite views of all interests. Perhaps in no other way could such a poll be taken on public opinion of representative men generally of the Mid-West as is expressed here on such questions as government ownership, the League of Nations, regulation of business, highways, waterways, foreign trade, and merchant marine policy. The editor attended this meeting and was struck by the exceptional interest that the great Trans-Mississippi region is taking in national problems.

We present here the attitude of the Mid-West on readjustment:

## League of Nations

**W**E endorse the principle of a League of Nations. We believe it to be the duty of the public men of the United States to co-operate in securing the adoption of the moderate and practical plan presented to the Paris Conference.

## Reemployment of Soldiers

**W**E believe that both public and private agencies should show the same concern for the restoration of the discharged soldier to his normal place in the economic society that was shown in inducting him into the military service. One of the prime reasons for setting in motion the wheels of trade and industry should be to furnish employment for those who entered the army and the navy to take part in the war, as well as those who engaged in unaccustomed war industries and are now out of employment. While the readjustment process is taking place in private industry, effort should be made to promote public work by the Federal Government and by the State and municipalities.

In order that the municipalities may be enabled to proceed with the work of reconstruction that must be met by local assessment in the cities we urge the railroad administration to recede from its policy of refusing to meet such local assessments on railroad properties in the cities where required by State laws.

We also urge the enactment of Federal legislation for the reclamation of the arid and waste lands in the public domain and the enactment of state laws, whereby the returning soldiers may be given employment in the preparation of such lands for settlement and

provided with assistance to make permanent homes when the reconstruction period is passed.

## Resumption of Industry

**W**E do not favor a pause in the industrial process to await some future readjustment of wages and prices of staples. So far as public improvements are concerned they should be resumed at once. It is better that the public should absorb the increased cost, if

## In the War's Wake

**W**OULD it interest you to know what the leading business men of twenty-two robust mid-western states have decided in regard to the legion of industrial problems that war left behind it? We believe that it would. In that belief we are presenting here the action taken by these men on such questions as:

Freight Differentials	Reemployment of Soldiers
Resumption of Industry	Labor Controversies
Railroad Ownership	Water Transportation
Pivotal Industries	Price Readjustment
Regulation of Business	The League of Nations

any should hereafter appear, than that general unemployment and consequent disaster and social disorder should follow.

We believe also that the promoters of private construction and business enlargement should take heart of courage and should believe in the immediate resumption of business prosperity in the United States. There is no place in the American scheme of things for the pessimist or the doubter. Our country today leads the world in prosperity. It can lose its leadership only by its own faint-heartedness. We especially deprecate any concerted holding back of construction and business resumption for the purpose of forcing a reduction in wages or cost of material.

## Good Roads

**B**OTH as a means of stimulating the resumption of industry and removing the shadow of unemployment from the working people and also to serve the broader and more permanent purpose of supplementing the railroad lines and to develop the inland and farm commerce of the country, the work of constructing good roads should be promptly carried on by the co-operation of the Federal and State Governments and local communities.

## Labor

**T**HE change in business conditions makes it more than ever necessary to establish peace and harmony between labor and capital. To this end there should be conferences and mutual discussions of the difficulties that arise. The leading representatives of capital and labor should work out this problem together. We do not believe that any creed

constructed by labor or capital alone, without consultation with the other, can reach a solution of these difficulties. The remedy can be found not by one alone, but can be reached only by mutual discussions by both. We believe that the employer should study and understand the viewpoint of labor; and that labor likewise should learn the problems of the employer. The public has a right to demand that a remedy be found by the interested parties themselves, so that the enmity and hostility of the past will cease, and labor and capital shall be partners in industry and not enemies.

## Railroads

**W**E are opposed to Government ownership and operation of the railroads. The roads now operated by the Government should be returned as soon as possible to former private ownership and management, subject to Government regulation and supervision which will prevent the abuses of the past and secure to the public the greatest good to be derived from economic, efficient and co-operative management, eliminating restrictive legislation that has heretofore hampered much needed improvement.

## Federal Regulations of Business

**D**URING the period of the war the national government found it necessary to adopt a policy of regulating concerted action in fields of production and distribution of the materials necessary for the successful prosecution of the war. These measures were often in conflict with the Federal laws passed in time of peace. The requirements of the period of readjustment demand that certain forms of co-operation, possible during the war, be continued and enlarged; that the contradictions on our statute books be eliminated by proper legislation, and that there be formulated definite standards of general business conduct, capitalizing such experiences of the war as have proven beneficial to the public interest. However willing we may have been to invest the Government with extraordinary powers to meet the exigencies of the war, we are opposed to any continuation and extension of them in times of peace.

We oppose any system of licensing any private business and the taking over by the Government of the operation of any lines of business or industry built up and carried on by private initiative.

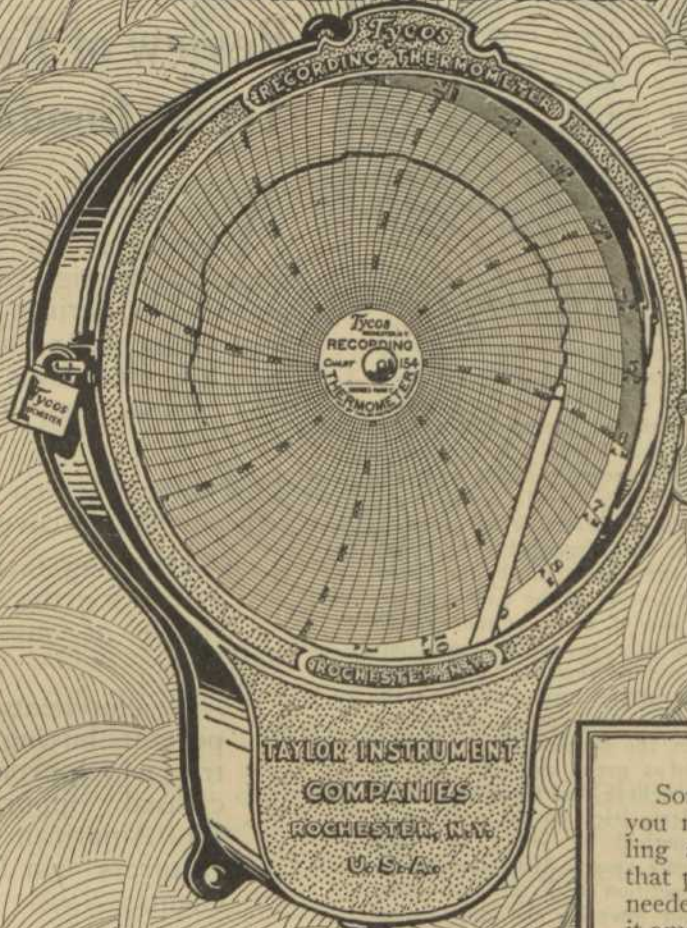
We recommend measures to bring about conversion of the war risk insurance into permanent form in co-operation with companies organized under existing laws or under Federal regulation enacted for that purpose.

In seeking to regulate the business of the country the Government should be corrective and helpful—not hostile and destructive. Where wrongs exist or are suspected, the investigations that are necessary to disclose and correct them should be carried on along broad lines. We deprecate the practice of



# Tycos TEMPERATURE INSTRUMENTS

## INDICATING, RECORDING & CONTROLLING



Somewhere in your manufacturing processes you need instruments for indicating, controlling and recording temperature. Whatever that process may be, whatever the instrument needed to suit your requirement, you will find it among the

### Tycos Temperature Instruments

Today every one of the Tycos Instruments is accepted as a standard for the particular service for which it is made, the line is complete in the fullest sense of the term

As for being dependably accurate and enduring in service, they have been selected by the most discriminating and exacting concerns because of these special qualities.

Refer to a Tycos catalog if you have one. If not, we have one for you and will send it whenever you say.

**Taylor Instrument Companies**  
Rochester, N. Y.

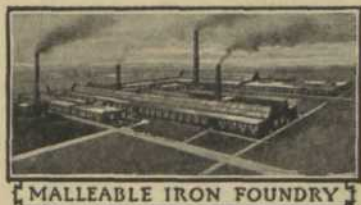
Manufacturers of a complete line of instruments for indicating, recording and controlling of temperatures, adapted to every requirement in manufacturing and industrial operations.



**THERE'S A Tycos OR A Taylor THERMOMETER FOR EVERY PURPOSE**



## Complete Engineering Service



MALLEABLE IRON FOUNDRY



TANNERY



ROLLING MILL

**An industrial plant  
built to suit your  
particular conditions**

*in minimum time  
at minimum cost*

**is what you get when you employ  
our industrial engineering service**

If you are thinking of building,  
and want the one best plant for  
your purpose, write for our  
booklet "A Better Way to  
Build Your New Plant."

**FRANK D.  
CHASE,  
INCORPORATED  
INDUSTRIAL  
ENGINEERS**

645 N. Michigan Ave.  
CHICAGO

Whitehall Building  
NEW YORK

giving out under Government sanction charges against business organizations before they have been sustained by proof.

### Waterways and Foreign Trade

WE recognize the vital importance of our inland waterways as an integral part of our system of transportation, which in the past has not served either the traveling public nor the movement of freight. We therefore urge upon Congress immediate legislation and appropriations to improve and extend these highways of commerce so as to afford in many sections of the country the most economic route from interior points to the seaboard.

We especially urge the immediate development of the Mississippi river and its tributaries as constituting the chief inland waterway system of the country.

We urge the enactment of laws and regulations to improve foreign trade conditions.

We hope that overseas commerce will, to as great an extent as possible, be carried in vessels of American registry. We urge the return to their owners of all vessels commandeered by the Government, as soon as their service can be dispensed with. We recommend that the vessels built by the Emergency Fleet Corporation of the United States Shipping Board should, under suitable conditions, be turned over to private operation. We hold it is essential that the Government absorb as a part of the cost of the war the additional cost of construction caused by war conditions and by the necessity of the immediate creation of a great merchant fleet in war times. We believe that Congress should immediately address itself to the problem of finding some method by which our ship owners can operate vessels flying the American flag in competition with those of other countries, without lowering the standard of living enjoyed by American seamen.

As an immediate necessity to enable our merchants and manufacturers to reach foreign markets in fair competition between different sections of the country and with other countries, we urge the United States Railroad Administration to reestablish the export and import rates as the same existed prior to June, 1918, thus enabling the producers of the country to ship through ports that offer the most convenient and expeditious service.

To facilitate foreign trade we favor provisions being made for the handling of foreign acceptances by our banking institutions.

We deprecate any change in the established standards of our domestic products which will handicap the industry in marketing its products under foreign competition.

### Price Readjustment

THE Government of the United States, in keeping its contract with the farmers of the country to maintain the price of wheat until June, 1920, should arrange, through its own agencies, to take over the marketing of the entire wheat crop, and should seek by means of generous credits extended to the nations whose food supplies have been depreciated by the war for the marketing of the surplus above home requirements. Whether in doing so the Government shall seek to impose upon the domestic and foreign consumers, by means of its control over the distribution of the wheat crop and the needs of foreign credits, the guaranteed price paid to the producers of the wheat crop or shall dispose of the crop at a loss, to be charged to the account of the war, must be determined

## A Semi-Monthly Review of Export Trade Conditions

A summary of developments in the United States and foreign countries affecting American export trade is given in our semi-monthly publication, *American Goods and Foreign Markets*.

This review, which will be sent on request, covers:

—changing factors affecting the general course of our export trade;

—developments in important buying countries which promise increased opportunities for American manufacturers and merchants;

—activities of other countries that are seeking export markets.

Manufacturers and merchants desiring data relating more specifically to the export possibilities of particular products, are invited to call on our FOREIGN TRADE BUREAU for detailed information.

This Bureau collects information relating to foreign markets, foreign financial and economic conditions, export procedure, etc. Its facilities are at the disposal, without charge, of those interested.

**Guaranty Trust Company  
of New York**

140 Broadway

Capital and Surplus - \$50,000,000  
Resources over - - - 700,000,000



# Printing

## The Strong Right Arm of Business

**A**merican business supremacy is the result of fine ideals, energy and Printer's Ink. Advertising is the twin of salesmanship. Never are they separated. Every business, profession, and vocation, uses them both in some form.

The main-spring of all business is advertising—and Printing is the voice that carries the message to its market. You call upon Printing to establish confidence and good will; to create a desire to buy.

Indeed your *Printing* is *yourself*, multiplied to the quantity necessary to reach the vast number you can not possibly reach in person nor through traveling representatives.

National advertising is a wonderful force to exert when your distribution is country-wide; but *first* of all—and *always*—must you employ the more intimate appeal of DIRECT ADVERTISING—The Strong Right Arm of Business.

*Let your Printed message impress its importance and your own personality by its quality—the work of a U. T. A. Master Printer.*

**T**HE EMBLEM SHOWN is the trade-mark of Master Printers wherever located, who conduct their business according to the principle of fairness, integrity and square dealing, fostered by the United Typothetae of America (International Association of Master Printers).

The emblem itself is a full assurance that your requirements will be met in a business-like and satisfactory manner.

Every printer who displays this mark



may supply practical advice or counsel on Direct Advertising, either through his own organization or by co-operation with the Central Advertising Bureau of this Association. Good Printing and practical help in its planning may be secured by choosing a good Printer—equipped to serve—a Printer who has good type, good paper and good ink, and knows how to use them to your advantage. He will help you with your illustrations, engravings and your ideas—for his "Heart is in his Art."

Let your next work be produced by a U. T. A. Printer

This Publicity is in co-operation with Paper Manufacturers and Merchants, Manufacturers of Type and Printing Machinery, Engravers and Electrotypers

# UNITED TYPOTHETAE OF AMERICA


(INTERNATIONAL ASSOCIATION OF MASTER PRINTERS)

Not Conducted for Profit

General Offices: Transportation Building  
608 So. Dearborn Street, Chicago







**BRUSH EFFICIENCY**

**WHITING-ADAMS BRUSHES**

**PAINTING EFFICIENCY DEPENDS ON THE BRUSH**

Three factors make for high-grade painting—  
PAINT, PAINTER AND BRUSH  
Whiting-Adams  
TRADE VULCAN MARK  
Rubber Cemented  
**BRUSHES**

Bristles fastened with Vulcanized Hard Rubber, and held in a vise-like grip. Shedding of bristles and failure of brushes impossible. Guaranteed in every respect. The most extensive and best line of brushes in the world. Send for Illustrated Literature

**JOHN L. WHITING-J. J. ADAMS CO.**  
690 to 710 Harrison Ave., Boston, U. S. A.  
Brush Manufacturers for Over 108 Years  
and the Largest in the World

## American Red Cross



ATLANTIC DIVISION  
44 EAST 23rd STREET  
NEW YORK CITY

NEWS SERVICE

## USED CLOTHING

including shoes, blankets,  
warm underwear, etc.

## WILL BE COLLECTED

by

The American Red Cross  
for

Liberated Countries of Europe  
including

Northern France	Belgium
Czecho-Slovakia	Italy
Roumania	Poland

Jugo-Slavia

(including Serbia and Montenegro)

**Week of March 24-31, 1919**

These refugees have been in rags and almost destitute of clothing for several years. In many of the countries now, even if clothing could be manufactured and paid for, material is totally lacking. The need is great to a degree that few at home can possibly realize. Every garment furnished will cover a body which otherwise would lack proper clothing, and each garment furnished will actually prevent suffering.

**COL. HARVEY D. GIBSON,**

*Red Cross Representative in Europe.*

*Send all bundles to the nearest local  
Red Cross Chapter*

by conditions that will hereafter arise. As nearly as possible the crop should be so marketed as to restore the normal basis of supply and demand and permit the prices of all food products to be determined accordingly.

In dealing with the prices of other food produced in this country, over which the Government has exercised a measure of control during war conditions, good faith should be shown by the Government toward those who respond to its request to increase the supply.

### Pivotal Industries

THE pivotal industries that came to life or were enlarged at the request of the Government to meet the necessities of war should now be protected by proper measures against their collapse and ruin because of sudden ending of war conditions.

### Agriculture

WE recommend that the Secretary of Agriculture call together representatives of organized agricultural bodies for the creation of a National Chamber of Agriculture, which shall serve as a clearing-house for agricultural activities, particularly those relating to production and marketing.

We urge upon Congress the immediate passage of an amendment to the Federal Farm Loan Act increasing the loan limit to twenty-five thousand dollars.

The Farm Bureau organization should be increased and supported, and we urge their extension wherever possible and their adequate support by Federal appropriation.

We recommend uniform sanitary rules and regulations to govern the shipment of livestock, so as to protect the states into which shipments are made, and at the same time incur the minimum of expense and trouble to the shipper. So far as possible these rules should agree with the rules of shipment laid down by the Bureau of Animal Industry.

We believe that the live-stock industry in the west would be stimulated by a system of long-time credits on breeding stock.

In the semi-arid regions of the Trans-Mississippi country there are millions of acres of land occupied and under cultivation where, because of lack of sufficient moisture, crop production is uncertain and averages approximately one-third of what is possible. In these regions sufficient moisture can, by a system of canals controlling the flood and unused waters now going to waste, be stored in the subsoil to supply the deficiency and make a reliable crop producing territory. We urge that this work be undertaken by the Federal Government.

### Water Power

WE recommend legislation looking to the early development of the water power now going to waste on the public domain.

We believe that the people of the western states should be given the same right to develop the natural resources of their states that has already been exercised by the people of the eastern states.

### Freight Rate Differentials

WE call the attention of Congress and the United States Railroad Administration to the fact that the advance in freight rates has changed the margin of differentials formerly applying to the shipment of western products, with the practical effect of eliminating the established eastern markets open to the western producer. We urge that differentials applying to shipments west of the

Mississippi river be readjusted so as to protect established markets.

### Protection of Investors

WE favor the enactment of rigid Blue Sky Laws for the protection of the inexperienced investor.

We denounce the exploitation of the owners of liberty bonds by the promoters of questionable enterprises.

### Public Utilities

WE recommend that careful consideration be given to the present condition of public utilities which have faced difficult problems arising out of the war. We urge that fair treatment be given these companies so as to enable them to avoid bankruptcy and to render efficient service. We deplore the treatment now generally accorded them by the regulating agencies of the local governments.

### Federal Budget System

WE recommend that a budget system be inaugurated by the Federal Government, and that all disbursement of funds be made under such a system.

### Americanization

WE recommend the extension of the Americanization campaign so as to include all portions of the country in which foreign influence still prevails.

### Law and Order

NEVER in the life of this Nation has it been more essential that law and order be maintained in our communities. We, therefore, denounce the efforts of agitators, I. W. W. and Bolsheviki to stir up differences between groups of our people, and we urge all national and state authorities to take every lawful means to suppress such agitation and so far as possible to rid the country of that class of person. We earnestly commend Mayor Ole Hanson of Seattle and the loyal leaders of labor for their strong stand in behalf of law and order and honest Americanism.

### Permanent Organization

TO carry along the work inaugurated by this Congress, we recommend that a permanent organization be formed, consisting of a committee of seven members, to be appointed by the Chairman.

### A Peace Conference

### of Business Men

WITHIN the next few months the American people will be called upon to decide upon some of the largest questions that have confronted the nation since its birth. There are before the country problems not only of the greatest international import, but those also in the manner of whose solution lies the direction of our future policies with respect to domestic affairs.

It is desirable that the legislative branch of our government, soon to be called together into extraordinary session, be given the benefit of the views of every class that makes up our national life. In no other way can Congress know that it is fulfilling the will of the people. And in no other way can a composite expression be found of the views of all the diverse elements that make up the country.

The Chamber of Commerce of the United States, made up of more than 1,100 trade and



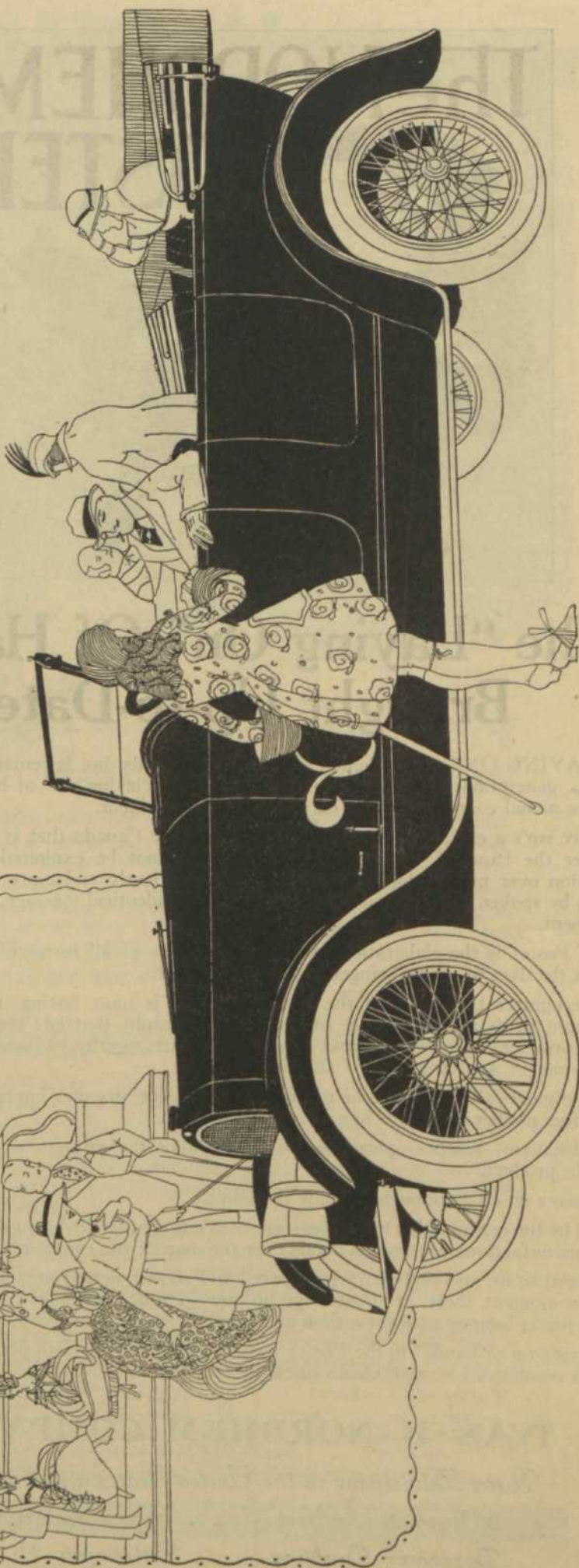
# APPERSON

## The EIGHT WITH EIGHTY LESS PARTS

IN the foreground of such scenes of elegant life one finds the Apperson playing its role with dignity and distinction. Fitted by appearance to mingle with the most expensive of imported productions. Powered to ask no favors in a friendly brush on the road with the swiftest cars built. Equipped with the powerful, responsive Apperson 8 Motor—the 8 with 80 less parts.

APPERSON BROTHERS AUTOMOBILE COMPANY, KOKOMO, INDIANA

The Apperson Anniversary Model Touring or Tourster    The Apperson Standard Model Touring or Sportster  
Enclosed Models for Fall Delivery







## The "Laying On" Of Hands Brought Up-to-Date

**"LAYING ON"** of the hands is as old as the hills, but it remained for this generation of business men to develop the "laying on" of hands to embrace actual contact with the major part of a continent.

There isn't a city of size in the United States or Canada that is not literally under the hand of the manufacturer—that cannot be exploited in Aladdin fashion over night—that cannot be reached as clearly and more emphatically than by spoken words, reached everywhere with identical message, at the same moment.

The Poster is the elaboration of the development of all forms of advertising since the days of the bell-ringer and the town-crier.

It recognizes the fact that the first impression is most lasting, hence it has brought to its aid the science of modern lithography that has become an art, and produces color effects and sketches that are worthy of longer life than the span of an Advertising Campaign.

It recognizes the fact that the mandatory makes the stronger impression, hence it offers neither argument nor wordy description.

It visualizes—teaches—pleases—and drives home the memory of the package or the product.

It leaves no class untouched—only the blind.

And by the organization of the business men engaged in the business of posting, the manufacturer can lay his hands over the map of the continent.

A word to us, and sketches are prepared and shown, details arranged, and at a given moment, these Art Posters go up anywhere or everywhere he may select and for as long or as short a time as he may desire.

"Laying on of hands" in the Poster way, requires neither faith nor superstition—its results can be mathematically demonstrated.

### IVAN · B · NORDHEM COMPANY

*Poster Advertising in the United States and Canada*

*8 West 40th Street*

*Bessemer Building*

*New York City*

*Pittsburgh, Pa.*

## A Peace Conference of Business Men

commercial organizations, will hold its seventh annual meeting at St. Louis April 29, 30 and May 1. At this gathering, to be held on the eve of the assembling of Congress, the business men of the United States will take up the most pressing questions of the day and will record their recommendations with regard to policies.

### To Carry Out Resolutions

Unusual significance will attach to the declarations of this convention. A tentative program for the meeting has advanced to a point where it is seen that the recommendations will be of an unusually specific nature. In dealing with the bigger questions before the country, such as a League of Nations, the problems of ocean and rail transportation, international trade and the relation of government to business, the meeting will make not only recommendations of policy, but will advance proposals for carrying the suggested policy to final conclusion. Declarations will carry more than ordinary weight because the reasons for reaching the conclusions on which they are based will be given.

A reconstruction program for American business was advanced last December at the reconstruction congress of American industries called by the National Chamber at Atlantic City. At that meeting business men could state only what they believed.

As in previous years the Chamber will secure the best authorities obtainable on the subjects to be discussed.

The first day of the convention will be given over to a meeting of the National Councillors of the Chamber. At this preliminary session there will be discussions of the subjects of ocean transportation, fire waste and insurance and highways. Reports will be received from committees of the Chamber.

### Will Work in Eight Groups

At the first general session on April 28 there will be addresses by President Harry A. Wheeler, of the Chamber, and by Secretary of the Treasury Carter Glass. Reports will be received from the Chamber's Board of Directors and from its National Council. In the afternoon the convention will be divided into the following groups: industrial production, domestic distribution, foreign commerce, transportation and communication, finance, insurance, civic development and trust legislation. At the evening session the subjects to be discussed are trust legislation, foreign relations and agriculture. Speakers have not been announced for these subjects, but on foreign relations the Chamber has asked the government of France to send its foremost authority.

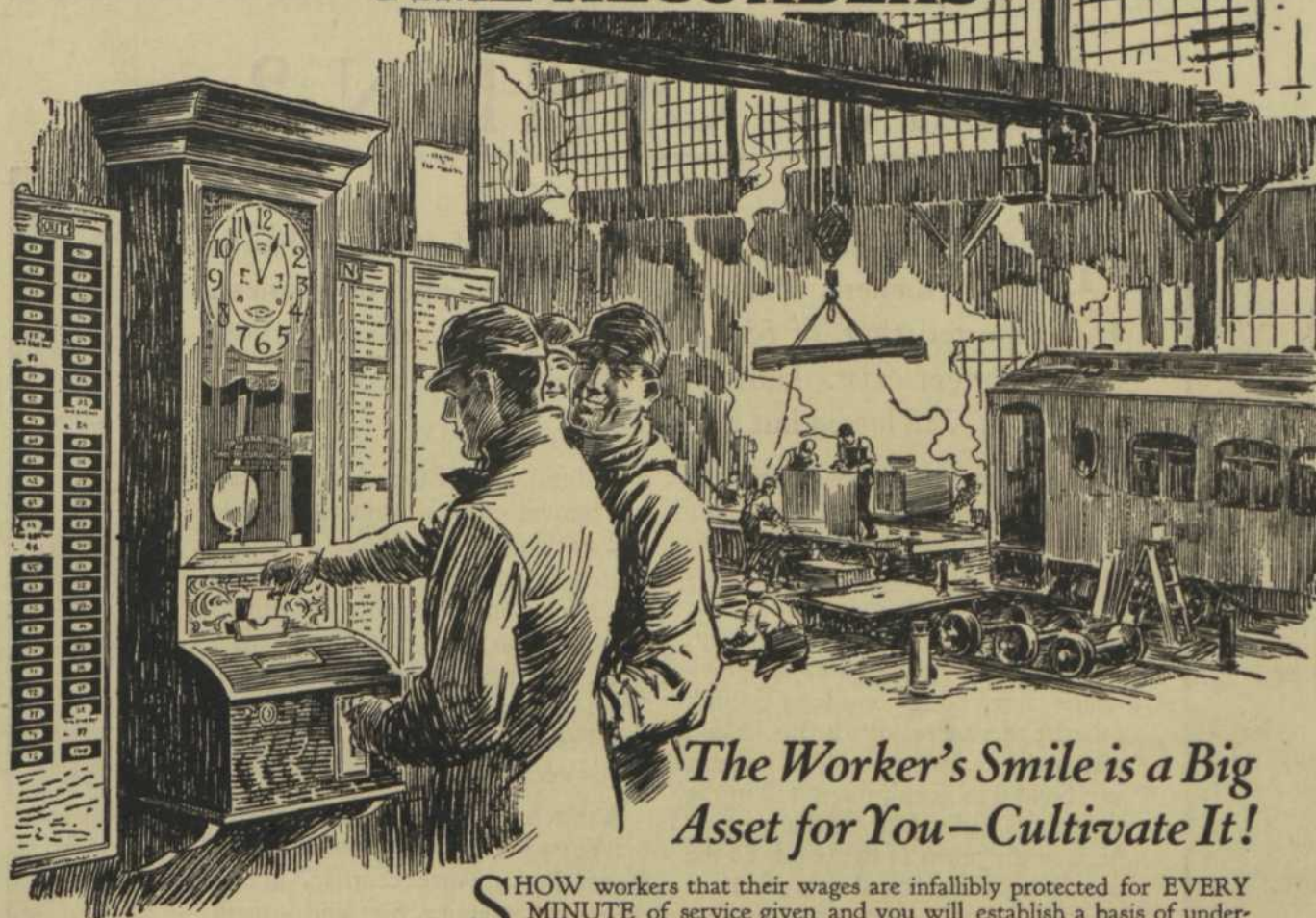
Commerce, shipping and merchant marine will be taken up as subjects on the morning of April 30 with the best experts of the government and those in business as speakers. Group meetings will take up the afternoon, and in the evening the subjects of rail transportation and industrial relations will be presented.

The League of Nations will be discussed on the final day. The subject will be approached from all angles, and speakers will be selected with a view to obtaining a wide diversity of opinion. The afternoon will be given over to the report of the committee on resolutions.

The National Association of Commercial Organization Secretaries will hold a meeting on the final day of the convention.



# INTERNATIONAL TIME RECORDERS



*The Worker's Smile is a Big Asset for You—Cultivate It!*

## Other INTERNATIONAL Products

In addition to the Card Time Recorder, shown in the accompanying illustration, The International Time Recording Company manufactures

- Card Time Recorders
- Dial Time Recorders
- Cost Recording Devices
- Elapsed Time Machines
- Electric and Self-Winding Master Clocks
- Autograph Recorders
- Secondary Clocks
- Time Stamps
- Key Recorders
- Program Devices
- Recording Door Locks
- And a full line of kindred devices.

*We will gladly send full data concerning any of the above instruments on request.*



**S**HOW workers that their wages are infallibly protected for EVERY MINUTE of service given and you will establish a basis of understanding and harmony which can not be attained in any other way.

Convince them that there can be no inaccuracy or unfairness in your payrolls, that you assure them of the same justice which you demand for yourself, and you will foster the spirit of loyalty and zealous effort upon which any business depends for permanent success.

Such a positive guarantee of payroll accuracy and satisfaction is made possible by

## International Time Recorders

The confident smile of the worker who records his time on an International is a genuine asset for you. It means freedom from payroll disputes. It stands for close, profitable co-operation between employees and management. It is the mark of a satisfied, capable producer.

All manually-controlled timekeeping systems are subject to uncertainties. They depend for success upon unerring human attention—and *we humans are not unerring.*

Internationals, on the other hand, are *automatic.* They leave nothing to chance. They keep all necessary payroll data, correct-to-the-minute, clearly printed for quick, errorless computation. Their mechanical sureness is the result of 36 years' scrupulous development.

*Internationals are made in 260 models, either electrically-operated or spring-driven, and adapted to all lines of business. May we show you how YOUR requirements can be filled perfectly?*

## INTERNATIONAL TIME RECORDING CO.

Home Office: 50 Broad St., New York City.

Works: Endicott, N. Y.

LONDON OFFICE	CANADIAN OFFICE AND FACTORY	PARIS OFFICE
57 City Road, Finsbury	International Business Machines Co., Ltd.	75 Avenue de la République
London, E. C., England	270 Dundas Street, West Toronto	Paris, France

Branch Offices and Service Stations in all Principal Cities of the World



# WILL YOUR MOTOR TRUCK BE AN ORPHAN ?

**T**HERE are thousands of truck orphans left on the hands of their owners. Their makers have gone out of business. It is reported that, of 555 companies organized since 1909, 331 no longer exist. Half of the remaining are less than two years old. 228 lasted but a year.

Making motor trucks is a large scale operation. Only the resourceful succeed. Some makers lack the capital. Some lack the output for economical manufacture.

Motor trucks are an investment. Rightly used, they should earn dividends large enough and long enough to write themselves off the books and *then* make a clear profit. The investor in a bond is as keenly interested in the soundness and stability of the issuer as he is in the terms of the bond. So the purchaser of a truck should be interested in the permanence and stability of the maker.

Any mechanism designed to last is

a doubtful value if the maker can not be counted on to remain in business and back up his product. The purchaser invests *also* in the maker's experience, in his reputation and in his service facilities. Of what use is a truck if parts are no longer available? What resale value does it have without a maker? Who will furnish service to the owner?

A purchaser can judge these things by: Years in business, Financial statements, Performance records, Number of trucks in service, Size and growth of output, Reputation of the product, Service facilities *already* established.

*The Purchaser of a White Truck Backs His Investment in It with the Strength of The White Company, with Its Years of Successful Experience, with Its Thousands of Trained Employees, with Its Tens of Thousands of Trucks in Active Service, with Its Millions of Capital, and a Service Organization, Nation-Wide, which Has No Parallel in the Industry.*

